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Near East/South Asia Report

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NEAR EAST/SOUTH ASIA REPORT

CONTENTS

ARAB AFRICA

EGYPT

Impact of U.S. 'New Conservatism' Discussed
(Ahmad Nafi'; AL-AHRAM International Edition, 20 Jun 86) 1

Status of Party Press Analyzed by UAE Paper
(Ahmad Al-Kinani; AL-KHALIJ, 5 May 86) 4

Governor of Central Bank Gives Views on Fiscal Conditions
('Ali Najm; AL-IQTISAD WA AL-A'MAL, May 86) 10

Money Market Head Discusses New Investment Laws
(Muhammad Hasan Faj-al-Nur Interview; AL-MAJALLAH, 11-17 Jun 86) 14

Debate on Issue of Women Working Outside Home
(AL-TADAMUN, 14-20 Jun 86) 18

Pickup Explosion Blamed on Driver Error
(Cairo Domestic Service, 23 Jun 86) 21

Briefs
New Commanders Appointed 22
Al-Azhar Rejects Israeli Imports 22

SUDAN

Islamic Da'wah Organization Suspension, Investigation
(SUNA, 27, 28 Jun 86) 23

Group Denies Headquarters Transfer 23
Humanitarian Character Asserted 23

Government Plans Investigation 24
Council of Ministers Retracts Statement 24

ARAB EAST/ISRAEL

ISRAEL

IDF Now Using Simulation Combat Training
(Ronit Furian; BAMAHANE, No 32-33, 16 Apr 86) 26

Proposal for 3 Years of Women's Military Service
(Barukh Ron; BAMAHANE, No 34, 29 Apr 86) 28

War Statistics Cited by Defense Ministry
(Barukh Ron; HAMAHANE, No 30, 2 Apr 86) 29

KUWAIT

Labor Minister Comments on Reducing Expatriate Labor Force
(AL-SIYASAH, 13 Jun 86) 30

Kuwaitis To Man Sensitive Positions in Oil Industry
(AL-SIYASAH, 14 Jun 85) 31

Armed Forces Urged To Shun Issues Irrelevant to Country
(AL-SIYASAH, 9 Jun 86) 33

LEBANON

Briefs
Daily Star Ceases Publication 35

SYRIA

Briefs
Israel 'Seeking' Causes for Aggression 36
AL-THAWRAH: 'Liberation', Strategic Balance 36

YEMEN ARAB REPUBLIC

President, al-Jawf Governorate Figures Hold Ramadan Meeting
(AL-THAWRAH, 14 May 86) 37

President Discusses Al-Hudaydah Development Plans
(AL-THAWRAH, 16 May 86) 39

Expert Discusses Composition of Nation's Agriculture
(Muhammad 'Abd-al-Karim al-Harrazi; AL-THAWRAH, 14 May 86) 42

Latest Developments in Oil Production Reviewed
('Abd-al-Halim Sayf; AL-THAWRAH, 22 May 86) 45

Briefs
Agricultural Equipment Imports 47

SOUTH ASIA

AFGHANISTAN

U.S., Saudi Arabia Said To Increase Aid to Rebels
(MEED/THE MIDDLE EAST'S BUSINESS WEEKLY, 28 Jun-4 Jul 86) 48

Paper Condemns U.S. Aid to Rebels, Nicaragua
(BAKHTAR, 27 Jun 86) 49

AFP Cites 'Western Diplomats' on Military Moves
(AFP, 24 Jun 86) 50

Rulers Reportedly Reinforce Army With Youths
(TEHRAN TIMES, 19 Jun 86) 51

Briefs
Minister's New Appointment 52

INDIA

Kaul Calls for Initiative To Solve Afghan Problem
(PATRIOT, 18 Jun 86) 53

Jammu, Kashmir Police Bust Pakistan Spy Network
(THE TELEGRAPH, 17 Jun 86) 54

Food Grain Target Not Achieved for 1985-86
(THE TIMES OF INDIA, 17 Jun 86) 55

IRAN

KEYHAN Comments on U.S. 'Secret Movement' Against Iran
(Tehran Domestic Service, 23 Jun 86) 56

Nabavi Speaks on Trade Reduction With Turkey
(KEYHAN, 16 Jun 86) 58

Commercial, Economic Activities, Projects Reported
(MEED/THE MIDDLE EAST'S BUSINESS WEEKLY, 7-13 Jun 86) 59

Private Sector 'Encouraged'; Ties With Other States Reported
(MEED/THE MIDDLE EAST'S BUSINESS WEEKLY, 14-20 Jun 86) ... 61

Rajavi's Move to Iraq, Ties With Baghdad Examined
(Vahe Petrossian; MEED/THE MIDDLE EAST'S BUSINESS WEEKLY,
14-20 Jun 86) 63

Ties With FRG, Turkey Reported; Other Economic Activities
(MEED/THE MIDDLE EAST'S BUSINESS WEEKLY, 28 Jun-4 Jul 86) 64

Reza'i Details Latest on Mobilization of Forces, Ending War
(KEYHAN, 15 Jun 86) 66

Black Marketeers Arrested in Crackdown
(MEED/THE MIDDLE EAST'S BUSINESS WEEKLY, 28 Jun-4 Jul 86) 69

New Plans, Policies for Management of Factories Announced
(KEYHAN, 15 Jun 86) 70

Montazeri Urges Unity in Face of Economic Difficulties
(KEYHAN, 16 Jun 86) 74

Islamic Councils Discuss Rural Economic Problems
(KEYHAN, 16 Jun 86) 76

Economic Activities of Foundation for Oppressed Announced
(KEYHAN, 16 Jun 86) 78

Majlis Continues To Examine Government Retirement Bill
(KEYHAN, 16 Jun 86) 81

Briefs
Wholesale Prices of Certain Goods Increase 86

PAKISTAN

U.S. Ambassador's Nuclear Energy Remarks Seen as Interference
(Editorial; JASARAT, 29 Apr 86) 87

Commentator Views Sind Reception of Bhutto, Jatoi's Removal
(Tariq Shahid; JANG, 16 May 86) 89

Columnist Sees PPP Moving Toward Confrontation
(Ilyas Shakir; NAWA-I-WAQT, 7 Jun 86) 91

Bizenjo Proposes Convention of Heads of Leftist Parties
(DAWN, 25 Jun 86) 94

Wali Khan Lashes Out at Jamaat-e Islami
(DAWN, 25 Jun 86) 95

National Unity Viewed Essential for Effective Foreign Policy
(Editorial; NAWA-I-WAQT, 5 Jun 86) 96

Stable Government Seen Necessary for Corruption-Free Society
(Editorial; NAWA-I-WAQT, 17 Jun 86) 98

Commentary Views Problems in Controlling Dacoities in Sind
(DAWN, 25 Jun 86) 100

Trade in Sri Lankan Girls Becomes Diplomatic Issue
(DAWN, 25 Jun 86) 101

SRI LANKA

President: Terrorism Could Be Wiped Out With India's Help
(Norton Weerasinghe; DAILY NEWS, 24 Jun 86) 103

/7310

EGYPT

IMPACT OF U.S. 'NEW CONSERVATISM' DISCUSSED

PM261041 Cairo AL-AHRAM International Edition in Arabic 20 Jun 86 p 5

[Ahmad Nafi' article: "Dangerous U.S. Trends in the Middle East"]

[Text] Those concerned with Middle East affairs are faced with a big question mark, which is: How does the United States now view the Middle East situation? The answer to this perplexing question can be found by knowing the factors influencing the U.S. policy. By understanding "How the others work" the Arab countries can rearrange their internal structure on a basis that will ensure the achievement of a peaceful settlement to the Palestine problem, the key to peace and stability in the Middle East.

This article, the first in a series, is concerned with identifying the new trends in the U.S. policy toward the area as seen by the Egyptian thinker, Ambassador Tahsin Bashir. The Egyptian diplomat, one of the most senior experts in the U.S. affairs, recently made a tour for this purpose which included contacts with officials as well as meetings with intellectuals representing the prevalent trends in influential public opinion.

Tashsin Bashir says that any political issue in the United States is based on the views of the President, the administration organs, and the forces influencing decisionmaking, which generally consist of the Congressional leaders of both houses, an elite circle of specialists and writers, a group of security and defense experts, a coterie of businessmen, and then the "pressure groups" representing the prevailing trends in U.S. political thinking.

Certain facts have begun to be implanted in the U.S. decisionmaker's mind, namely that there is no easy solution to this [Palestinian] problem; it is difficult and complex, if not (in the view of many of them) impossible to solve. Consequently, any politician who finds that he will not benefit internally from this problem will not venture into the field of general and comprehensive solutions unless there is political support for these solutions in the internal U.S. system. As a result, high power in the U.S. view lies in the degree of the pro-Israeli Americans' support for any move toward a comprehensive solution in the area.

We must note there that, because of the Arabs' inability to show that the Arab area can be defended by Arab hands, the U.S. concept in President Ronald

Reagan's era has assumed a global form, which means that there is an area of U.S. interests mainly connected with ensuring the flow of oil and not allowing the Soviet Union to control it. Such a concept, according to the new trends in U.S. thinking, cannot be achieved by the Arab countries. It follows therefore that these countries should give military assistance and facilities in case of a major confrontation should the situation in Iraq or Iran collapse in a manner that would enable the Soviet Union to intervene. On the basis of this visualization, U.S. policy is at present concentrating on securing means to facilitate direct intervention should the situation call for it. Here Israel offers itself to the United States as a state unmatched by any Arab country; it has an effective army cooperating with the United States and ready to offer all kinds of services, whether in accordance with an agreement or merely on the basis of an "understanding."

For this reason, according to Tahsin Bashir, the role of the Israeli-U.S. agreement or strategic understanding has become increasingly important and gained prominence in recent years. Because of this agreement the United States "swallows" many wrongdoings by Israel, including the Tel Aviv government's aggressive policy in the occupied Arab territories as well as Israeli espionage activities. In the views of most Americans such actions are secondary compared with the vital issue.

Alongside the new trends there is the major change in the political hue of American Jewish society. With the increasing weight of the Southwest (known as the Sun Belt) in the economic and political drive, the Jews like other Americans have moved there in order to be at the heart of the area that represents the new force which found expression in the ascendancy of Reagan. The area is distinguished by a new political ideology they call "the new conservatism." This new trend is very powerful in the Republican Party; Reagan could almost represent the moderate side of it. There are those who are more extremist in the new ideological current, which is distinguished by being nationalist to the point of fanaticism. It places direct U.S. interests above everything else. Although this trend believes in free economy, it places the U.S. national interest above everything else. It does not hesitate to threaten Japan, for instance, with closing the doors to the American market--the world's biggest--in its face if it does not comply with the U.S. wish for it to reduce exports and increase U.S. imports.

With regard to the Middle East problem the new conservatives take a negative view of the Arabs. With the exception of Egypt, which enjoys a special status (which we will discuss in another article), they attack most of the Arab countries, Saudi Arabia foremost among them. They say that its pursuit of a "moderate policy" is unimportant to them. Revenues from oil have not changed its policy. It is Saudi Arabia that needs the United States to defend it, therefore U.S. policy must dictate its terms to Saudi Arabia and not vice versa.

One of the serious trends in the new force is that it alleges that real international problems are no more than "power conflicts" and that the real power conflict for the United States in the Middle East is Israel. Therefore

strategic cooperation with it must be increased and involvement in issues which at best are troublesome, such as the Palestinian problem, must be avoided. So the new force calls for coordinating military action with Israel and for countering what is known as terror with force, should any of the Arab countries resort to it. It believes that anybody using force should be met with greater force. Proponents of this trend say that the manner in which Libya, and indirectly Syria, have been dealt with has, in the short term, shown positive results. They point to Syria in particular, which they say has begun cooperating with the United States. What is wanted from Syria in their view is that it should not allow its forces or the Shi'ite forces to place missiles or long-range artillery in southern Lebanon to threaten northern Israel and that no missiles should be placed so as to threaten Israeli Air Force flights over Lebanon.

These are the trends in the new U.S. force which, it is evident, represent an opportunity for Israel to ride the crest of a wave. This will be the subject of the next article.

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CSO: 4500/155

EGYPT

STATUS OF PARTY PRESS ANALYZED BY UAE PAPER

Al-Shariqah AL-KHALIJ in Arabic 5 May 86 p 12

[Article by Ahmad Al-Kinani]

[Text] The Egyptian street is bustling with the vitality injected by numerous newspapers into the political life of the country. Despite the passage of 8 years since the start of the party press experiment, however, that press still lives through the same political and economic variables out of which it was born. The government, not yet quite mature politically, severelly restricts party papers, both financially by depriving them of advertisments, and professionally by threatening to take away their competent journalists. Workers in those newspapers not only suffer from the difficulty of obtainning news from government departments, but also lack the sense of security. Amid such transformations, there are certain questions that immediately present themselves concerning the future of the party press in Egypt.

Last Paper Without Competitor

If the Al-ummah is the last party paper to come into being thus far, it also remains without a competitor in the same position as its counterparts among party newspapers, because it faces numerous problems about which chief editor Muhammad Salamah says, "Ever since its publication in May 1984, AL-UMMAH has encountered financial difficulties. The state refuses to render any subsidy, whether financial or even in the form of newsprint and printing facilities, as it does with other party papers. The paper has accordingly been unable to come out regularly every week; it began to falter after the fourth issue, so that the party was forced to turn it temporarily into a bi-monthly. If one knows that no more than 36 issues have been produced from its inception till the present, the extent of Al-ummah's shortages and problems becomes quite obvious. And the state, not finding these troubles bad enough, has tightened the blockade on the paper in order to keep good journalists away from it. From the outset, it requires its first chief editor, our colleague Muhammad Sa'd to obtain written permission from his establishment, "Dar al-Ta'awun," relieving him of his duties there, completely, to devote himself full time to Al-ummah before granting him license to work at the latter. The same thing was required of me. This is, again, different from the policy adopted by the government towards newspapers published by the other parties."

AL-AHRAR Has Developed...and Yet...

Three months ago, the first party paper to come out, AL-AHRAR, took a big stride forward, especially in technical aspects, after Mahmud 'Awad, the deputy chief editor of AKHBAR-AL-YAUM, took over as its chief editor. Although the paper has undergone several improvements, it still suffers from a number of difficulties. "The concept of a party paper is often misunderstood," "says Mahmud 'Awad," due to the overlapping between its function of guiding public opinion and that of publications devoted strictly to party activities. There is a great deal of confusion in this matter that we are trying to resolve by allocating a fixed section of the paper to party news as a compromise. A second problem facing the paper has to do with finance, because corporations withhold their advertisements from us, and continue to deal with the opposition press as "out of bounds," choosing to ignore its important advertising function for fear of offending the government, so that opposition newspapers are deprived of their most important financing source."

On the nature of his outlook, having the unique distinction of being the only independent journalist in Egypt to hold the position of chief editor of a party newspaper, AL-AHRAR, Mahmud 'Awad explains his view on the relation between the government and AL-AHRAR: "I am not concerned with the question of the conflict between the government and the opposition, because we start from the premise that we want to have a newspaper with distinctive journalistic performance, regardless of the resentment it may cause in others."

Paper With a Good Record

Nevertheless, the relation between the opposition press and the government raises difficulties, problems, and controversy. The government wants nominal newspapers even if they belong to the parties, whereas these papers refuse to play a merelly ornamental part because they believe that they have a role to perform. The newspaper, AL-Sha'B, published by the Socialist Labor Party (SLP), was the first to live through this problem and to actually solve it. In the virtual absence of any other opposition press towards the end of the Sadat era, Al-Sha'B led the forces of Egyptian opposition confronting Sadat's attempts to extend the Nile waters to Israel or to abandon the rights of the Palestine people. It rejected the efforts to isolate the PLO, faced up to the attempts to liquidate the public sector and to detract from the significance and benefits of the High Dam, and fought so many fierce battles against the Sadat regime that that period was described by many people as the golden age of Al-Sha'B. Now, due to several problems, it has fallen back in the face of competition from other party newspapers. According to its editor-in-chief, 'Adil Husni, who has introduced numerous changes in the newspaper, these problems are partly financial, represented by the advertising blockade, affecting especially government and the public sector advertisements, which naturally deprives the paper of an important financial resource and reflects on the level of journalistic service it provides.

Among the paper's problems also is the difficulty of obtaining information; senior state officials rarely open their doors to admit representatives of an opposition newspaper seeking information or statements.

'Adil Huani attributes such problems to the general crisis arising from the inflexibility of the political regime in Egypt, and its leaders' failure to understand the rules of political conduct in a pluralist system. This behavior is viewed by 'Adil Husni as a continuation by the ruling party of the previous totalitarian techniques promoting passive tendencies among the masses.

Al-Ahali, the mouthpiece of the National Progressive Unionist Grouping Party (NPUG) suffered more than any other opposition newspaper from suppression by the Sadat regime, whose officers kept seizing it until it ceased to publish. It remained off the newsstands throughout the last part of his rule, coming back only after President Mubarak came to power, although it still has problems about which its editor-in-chief Husayn 'Abd-al-Razzag says: "The problems experienced by Al-Ahali as an opposition paper are a consequence of the non-democratic situation in Egypt. Al-Ahali is suffering from an advertisement blockade. Having to be printed and distributed by agencies outside the party imposes heavy financial burdens on it, affecting its technical quality. Furthermore, Al-Ahali finds itself forced to depend on an inadequate number of editors because it cannot afford the salaries of all the staff it needs. The government departments also make a point of withholding information from Al-Ahali's correspondents, because they consider the opposition press as "enemy press."

The Richest Party Paper

Although party papers suffer from financial difficulties, the AL-WAFD, published by the New Wafd Party, has a unique status. According to its editor-in-chief Mustafa Shardi: "The problems of the opposition press, including AL-WAFD, are in the first place fue to 'organic' causes related to the actual condition of the opposition party press in so far as a newspaper is sufficiently strong or not. There are in addition other temporary causes, for opposition papers do not own their own printing facilities, and have to get printed and published by government institutions. Third, there are causes introduced by design having to do with access to advertisements which, he thinks, mostly come from the public sector run by the government. Even though the AL-WAFD has broken this pattern, its success has not been due to the will of the government, but rather to the basic strength of the paper, whose distribution has exceeded 650,000 a week, or about one copy per ten readers on the average. This has attracted advertisers, including government institutions, to publishing in the AL-WAFD."

The Function of the Opposition Press

Having talked about the problems of the opposition press, is it true, as many people claim, that everything published by these papers is no more than a reaction to what the government does or what is published in its official press?

'Adil Hysayn says: "That is untrue. What the opposition press publishes is not a reaction. We in Al-Sha'B take the initiative by raising a variety of issues and starting campaigns based on our own party views. We do not object

to the relations with Israel as a reaction to anyone else's stand, but because that is our essential stand. We do (not) criticize the open-door policy as a reaction to what others do, but rather because our primary position prompts us to oppose glaring deviations made in the name of the open door. Again, our position on independent development and the Arab Islamic cultural renaissance is the result of total and utter conviction."

Husayn 'Abd-al-Razzaq agrees with the editor of Al-Sha'B, for what Al-Ahali published is not a mere response to what the government says or does, but a product of the intellectual principles espoused by the Coalition Party. Moreover, Al-Ahali has spearheaded many press campaigns, and exposed much government corruption, although there are occasions on which the opposition and the government have interacted.

As for Mustafa Shardi, he thinks it is the government that has been on the defensive against attacks by the opposition parties and the issues they raised in their papers ever since the return of the party system. The opposition actually participates in the making of events and has started numerous media campaigns and political controversies. "We have never responded by a type of reflex action" adds the AL-WAFD editor, "except in situations beyond our own or the government's control, like the incident of the Egyptian plane in Malta."

The Future of the Opposition Press

Is it easy for the government to close down the party papers and deprive of them the Egyptian reader who has grown accustomed to their existence for so long?

'Adil Husayn: "That would not be easy of course, because it is not easy for the reader to accept the disappearance of party papers. However, the problem extends beyond the mere pleasure or dismay of the reader, for it does not merely concern the disappearance of one or more papers, but the attitude of citizens towards the political system they want and are willing to fight for. There is no doubt that the people would be determined to reject any infringement upon their democratic gains, including the relative freedom that has been attained by the opposition press."

Husayn 'Abd-al-Razzaq: "That is not easy, but not impossible. Our society is going through a very severe economic crisis, as well as a crisis within the ruling authority. Besides contributing to the spread of awareness and uncovering mistakes, the opposition press in a certain respect relieves the pressures on society. Any rational ruler would have to think carefully before he dares decide to close down the party papers. This, however, does not preclude its occurrence. But if these papers were closed down, the ruler would be the actual loser, because the opposition press lighten the burden of government."

Mustafa Shardi: "No one can do this easily. It is not easy to violate the democracy existing now in Egypt. The people have tasted its sweetness and already reaped many of its fruits in the form of bringing down corrupt

elements, truthful expression of opinion, and resistance to general media hypocrisy. No one can encroach upon democracy or else matters would be conducted in a capricious fashion."

The editor-in-chief of AL-WAFD asserts his belief that President Mubarak is an honest man crowing his rule with democracy, and says, "I call upon both the opposition and the government for the present to cooperate on the issue of democracy in the public interest."

A Reader's Wish

Speaking for opposition press readers, Cairo University science freshman 'uthman Amin says that the opposition papers at the present juncture are a faithful mirror in which the young could see a factual image of their country's reality reflected without touch up. However ugly it may seem at present, living through it and trying to remedy it is better than hiding the reality of corruption. The party papers are a product of democracy; if they cease to operate or suffer damage, the government would lose its credibility.

"I wish, as one of the younger Egyptians who read opposition papers, that the government would let matters run their course naturally without using force to impose its wishes."

On the affect of opposition papers on Egyptian society recently, Dr 'Awatif Abd-al-Rahman, journalism professor in Cairo University's Communications College, says: "The opposition press has been able to guide public opinion on vital issues. Considering its limitations, it has achieved a reasonable measure of influence on public opinion regarding the Arab-Israeli conflict by showing the disadvantages of normalization of relations between Egypt and Israel, and by revealing the mistakes that threaten the Egyptian character and national culture. It has also uncovered many cases of domestic corruption, standing bravely up to the Mafia trying to control the country's economy.

Because these newspapers have had obvious effects on society, they have gained in populatiry, and earned the reader's confidence for their honest stands, so that the effects they have made could not easily fade away or be erased."

Prescription

Finally, AL-KHALIJ interviewed Jalal 'Arif, general secretary of the Egyptian Press Syndicate, one of those forbidden to practice journalism by Sadat's legislation of September, 1981.

The secretary general summed up the worries of the opposition press as lack of means, and lack of security. If society believed in democracy, workers in party papers would feel secure, and the problems they suffer from would immediately vanish. By widening the scope of democratic practice, it would be possible for the party papers to attract many capable journalists.

The excesses that many so far have been revealed by experience, whether such excesses are committed by the party papers or by the national ones, are part and parcel of democracy. Anyone who engages in public service is open to attack and criticism, and every decision must be discussed before it can obtain universal approval. Regardless of the nature of the excesses that take place, they should be remedied by legal action and not by any other means.

Jalal 'Arif asserts the syndicate's full responsibility for defending its members if any of them is subjected to harm, and its commitment to defending freedom of the press and the universal right to self-expression.

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EGYPT

GOVERNOR OF CENTRAL BANK GIVES VIEWS ON FISCAL CONDITIONS

Beirut AL-IQTISAD WA AL-A'MAL in Arabic May 86 pp 75-76

[Interview with 'Ali Najm: "We Will not Float the Egyptian Pound and We Hope to Cancel Multiple Rates. First Set of Dollar Bonds to Be Issued Soon"; date and place not specified]

[Text] Discussion of the economic issue in Egypt requires a lot of objectivity and figures and little speculation so that one may form a realistic picture. The governor of the Central Bank of Egypt, Mr 'Ali Najm, talks in this interview about fiscal, monetary, and banking conditions in Egypt, explaining policies and measures adopted by the Central Bank of Egypt.

[Question] What is your assessment of the fiscal and monetary situation in Egypt today?

[Answer] World developments during the past year indicate that the boom witnessed in most industrialized countries notwithstanding, unemployment remains high in many of them. Furthermore, these countries have realized an average growth rate of 5 percent, the highest in the last 10 years. As for developing countries, their growth rate has been below average at a time when they are burdened with heavy foreign debts and rising inflation; this situation pushes them toward additional fiscal and economic reforms, the improvement of investment incentives, and the reduction of debts. But for such reform to yield any results, the industrial countries must lower the interest rates.

It was natural that these international, and, indeed, regional conditions and developments (most recently the plummeting oil prices) should reflect on the economies of developing countries, including Egypt which has been experiencing a drop in remittances from Egyptians working in oil-producing countries which are suffering a drop in revenues. Moreover, oil exports have dropped by about $700 million and will drop next year by $1.2 billion. Furthermore, Suez Canal tolls have been affected as well.

Commitment to Pay Debts

Notwithstanding the drop in foreign currency proceeds, Egypt has kept up its payment of foreign debts, while at the same time taking care of economic and

social development issues. The GDP grew by 6.9 percent and the commodities sector grew by an average of 7.4 percent; this underscores the importance of reforming the national economic structure.

The government next year is seeking to pursue the reform process while keeping up its debt payments and working for the maturation of future loans whereby loans will be restricted to increased production and will be from governments to the government, as far as it is feasible.

Granting more benefits for foreign, Arab, and national investments is a necessary and welcome measure. Moreover, the government's policy is aimed at dealing with deficiencies in the economies of public sector companies, reforming financial structures, and reducing dependence on the banking community to finance the budget deficit.

[Question] What about the monetary policy and what are its objectives?

[Answer] The monetary policy has five objectives, which are:

--Management of cash within safe non-inflationary boundaries.

--Maximum mobilization of national savings.

--Credit guidance, apportionment, and efficiency.

--Safeguarding the soundness of financial positions of banks, thus protecting the people's money and bolstering confidence in the banking community.

--Management of the rate of exchange on realistic bases that guarantee drawing the highest possible amount of foreign currency to bank revenues and achieving long-range foreign trade balance through export promotion and import rationalization.

The monetary and credit policy carried out last year by the government has achieved a further drop in the rate of monetary expansion, bringing it closer to the rate of the real annual growth in the GDP. Consequently, it has been possible to achieve the first objective of the monetary policy. It is noteworthy that the record price figures being prepared for the Central Agency for Public Mobilization and Statistics [CAPMS] show that the average rise in consumer prices amounted to 12.6 percent in the urban sector and 9.9 percent in the rural sector. However, the drop in inflation rates is not felt as much because of the correction of price relations and rationalization of subsidies with a view to providing incentives for producers and reducing the burdens of the general budget.

In the field of interest rate policy, the structure of debit and credit interest rates remained the same as the previous year, fluctuating between 4.5 and 13.1 percent on Egyptian pound saving deposits, depending on periods of maturity, with a mean interest rate of 11 percent for 1-year saving deposits. Interest rates on loans for the agricultural and industrial sectors remained at between 11 and 13 percent; for the services sector, at between 13 and 15 percent; for the commercial sector, at 16 percent minimum and no maximum; and

for the financing of export opertions, between 10 and 13 percent. This is in addition to the policy of government support for interest rates on loans granted for housing, land reclamation, and food security.

As for local interest rates for foreign currency deposits which are determined in accordance with international standards, the real interest rate is very close to the real interest rates for Egyptian pound deposits based on the fact that the real interest rate represents the nominal interest rate minus the rate of inflation computed on the basis of the difference between monetary expansion and the real average growth in the GDP.

Credit Guidelines

[Question] What about credit policy?

[Answer] There is a set of rules approved by the bank's board of directors in November 1984 based on the precept of obligating commercial banks individually not to exceed the credit facilities balances granted to public sector companies for non-seasonal purposes as well as to private sector agents at a rate of 65 percent of balances of deposits of all kinds. As for the reserve, it was set at 25 percent. The banking oversight system guarantees a set of rules the most important of which prohibit any bank from going into operation before registering with the Central Bank and from giving any one agent loans and facilities equal to more than 25 percent of the paid-up capital and reserve of each bank; it prohibits the employment of money for speculation in precious metals, real estate and moveable property; it bans the export of foreign currency banknotes without the approval of the Central Bank; and it puts a ceiling on the shares a commercial bank may own in joint stock companies at 25 percent of the company's paid-up capital.

Multiple Exchange Rates

[Question] How do you view the problem of multiple exchange rates in Egypt and their effect on saving and investment.

[Answer] The price of the dollar is linked to what is commonly known as the supply and demand principle. Since the supply in the free market is not known sometimes, the demand is not known as well. Therefore, the price fluctuates up and down according to each transaction separately. Herein lies the difference in price for different transactions. The volume of transactions in this market is not great and controlling it is not easy. As governor of the Central Bank, however, we seek to achieve a balance so as to ensure that prices of basic commodities do not go up. We are now oriented, through studies, toward encouraging banks to collect savings of Egyptians working abroad at a price closer to reality and are promoting the purchase of bonds whose first issue of $300 million will come out in the next few days at a price better than London stock market prices. This is in addition to tax

benefits. We are also oriented toward fixing the posted interest rate for a period of 6 months to be changed thereafter. These bonds may be sold at any time and may not be impounded or confiscated.

There are also the investment projects, the cancellation of the Central Bank commission on deposits, and the granting of complete freedom for foreigners' accounts to come in and out at any time. Egypt now has stability, democracy, and opposition, in addition to the guarantees offered by the investment law. All this, in the wake of lower export oil prices, has encouraged a large number of Arab countries to set up projects in Egypt and to buy real estate after the government approved facilities in this regard. We hope that in the next 5-year plan we will get rid of the multiple exchange rate phenomenon by setting only two rates that will provide enough reserve and reform the Egyptian economic structure. Once again I emphasize that the Egyptian pound will not be floated.

Results of Washington Meetings

[Question] You recently visited Washington to attend the meetings of the World Bank's Group of 24. What can you tell us about the goals and results of these meetings?

[Answer] The Group of 24 is concerned with Third World problems in light of these countries' lower revenues of foreign currency and the effect thereof on the balance of payments. Discussions were fruitful. I also met with senior officials in the State Department and the AID program to discuss bilateral relations. During these meetings, Peter McPherson, the head of the American Agency for International Development, assured me that the aid program to Egypt for the new year will be in the neighborhood of $1 billion. Furthermore, I met with World Bank and IMF officials who expressed their satisfaction with recent economic reforms in Egypt aimed at raising revenues; rationalizing spending, energy, loans, and imports; promoting the private sector; and paying up debts on schedule. World Bank and IMF delegations will visit Cairo soon for further consultations.

12502
CSO: 4504/360

EGYPT

MONEY MARKET HEAD DISCUSSES NEW INVESTMENT LAWS

London AL-MAJALLAH in Arabic 11-17 Jun 86 pp 32-33

[Interview with Dr Muhammad Hasan Faj-al-Nur: "Egypt: In Pursuit of Imaginary Projects"; in Cairo, date not specified]

[Text] The last case was in mid-April. Justice 'Abd-al-Qadir Ahmad 'Ali, the socialist public prosecutor in Egypt, decides to refer an investment project owner to the Court of Values to put his money in receivership. However, the owner of the project has fled the country. He is accused of defrauding Egyptian citizens of 719,000 Egyptian pounds [LE] and $202,500 on the pretext of investing this money for them in high-yield projects, but he refused to return the money and fled the country.

This is the fourth investment case to be handled by the socialist prosecutor. Hence, the Egyptian Money Market Authority [MMA] decided to counter such projects. Our interview with Dr Muhammad Hasan Faj-al-Nur, head of the MMA, revolved around such cases and the new law that has been drafted to counter them.

[Question] What can you tell us about the new bill?

[Answer] This measure is aimed at combatting imaginary projects and protecting the depositors' money and the rights of investors. We have recently noticed a succession of ads asking for partners in projects owned by individuals or partnerships. Hence, the authority drafted a bill which has been approved by the Council of State and has been referred to the cabinet for an opinion. From there it will be referred to parliament for ratification. It contains certain precepts that have to be observed when inviting the public to subscribe to any securities, shares, or partnerships, and to buy into projects or other material benefits, regardless of the nature of the desired investment. These precepts may be summed up in the requirement to obtain the approval of the interior minister per a proposal by the MMA's board of directors prior to the offering. This is in addition to the requirement of depositing such subscriptions in a special account in a bank that falls under the Central Bank's jurisdiction while prohibiting the transfer of any amounts abroad without the approval of both the minister of the interior and the Central Bank.

The bill includes a penalty for violators of a jail term and a minimum fine of 5,000 LE and a maximum fine of 50,000 LE or either one of these two penalties.

[Question] Does this law apply to Egyptian projects only?

[Answer] A new amendment has been introduced to the bill to include foreign companies that observe the free zone system in Egypt and accept deposits or contributions from Egyptian citizens. This is in addition to its application to Egyptian companies whereby such companies are required to obtain a prior licence from the MMA before announcing their acceptance of deposits and contributions.

[Question] Why is it a violation for these projects to receive deposits?

[Answer] Such projects are in contravention of the credit and banking law as well as the foreign currency law. They do not have the right to accept deposits from the public or to trade in foreign currency. Therefore, the mere practice of such operations is in clear violation of the law.

[Question] But many projects that come under this category have achieved tangible success in the Egyptian market. What is the status of such companies?

[Answer] The law does not discriminate between large and small companies. One important point that must be considered, however, is that projects approved by the companies' administration and turned into joint-stock companies do not represent any problems so long as such companies operate within the law and, therefore, are subject to oversight by the companies' administration and the other agencies. Hence, depositors' money is safe. The problem lies not in the companies themselves, but rather in the people who announce imaginary projects, thus collecting money from the people only to flee the country or to refuse to pay debts owed to them.

The Egyptian government encourages investment and stands by investors, but does not stand by imaginary projects.

[Question] But what is the stance toward existing projects that do not have the approval of the companies' administration and are not considered joint-stock companies?

[Answer] No comment. However, such matters will be discussed by the cabinet's higher policies commission which will have the final say.

Dollar Bonds Tempest

The Egyptian government's announcement regarding the issuance of tax-exempt and prime-rate dollar bonds has stirred up a wave of criticism by experts, interested parties, and financial circles, notwithstanding official expectations that pin high hopes on such bonds to alleviate the foreign currency crisis facing the the government. A major criticism is the over-evaluation of the bonds' returns and the consequent adverse effect on foreign currency deposits in Egyptian banks and higher dollar prices on the local

market. AL-MAJALLAH took these criticisms to the MMA in Egypt and the following dialogue took place:

[Question] Do you believe that the returns from dollar bond sales of over $2 billion a year are exaggerated?

[Answer] Official estimates mentioned in studies about new bond issues projected the annual returns from the sale of these bonds at approximately $500 million and not $1 billion as some press reports alleged, for this is indeed a high figure.

[Question] On what basis was the estimate computed?

[Answer] On the basis of calculating the average new foreign currency deposits in Egyptian banks; $1 billion are added to foreign currency deposits each year. The studies assumed that the new bond benefits of higher interest rates or tax exemptions would contribute to the rate of increase in the flow of annual deposits. This is in addition to the diversion of a portion of the foreign currency balance to investment banks trading in the new bonds.

Banks Will Not Be Affected, But...

[Question] This brings us to what bank officials are saying. Do the new bonds mean that transferring foreign currency deposits from the banks to other vehicles can be done without any increase in foreign currency revenues for the Egyptian economy?

[Answer] This is an inaccurate assumption. We admit that saving vehicles for foreign currency will be partly affected by the issuance of these bonds. However, the primary objective is to urge savers outside Egypt to invest their savings in these bonds and to reemploy them in production projects created by a government decree.

[Question] There are those who expect, based on past experience, that returns from these bonds will be used in non-production activities thus ultimately rendering it as a foreign currency loan the interest on which will have to be paid by the public treasury.

[Answer] We do not see it that way. According to studies on these bonds and discussions with the economics department in this regard, these bonds will be used strictly in production projects that yield more than the interest rate they have to pay. Accordingly, it will not represent any kind of burden on the state budget.

[Question] There is a new law under preparation that prohibits citizens from depositing their money in trust companies.

[Answer] Egyptian law bans any non-banking firm from accepting deposits from individuals because this financial activity is limited to the banks. The new law is oriented in this direction. It prohibits companies from accepting

individual deposits in the wake of the many complaints by citizens about losing their money in investments based on certain slogans that have been raised.

Stimulation of Securities Exchange

[Question] The MMA is accused of failing to take advantage of the free economy climate to stimulate securities trading, as evidenced by the trading activity in the Alexandria and Cairo stock markets.

[Answer] There is a misconception that the success of the money market is linked to higher trading in the securities exchange. I say that this is one part of the money market equation. The first and most important part is new company issues. In this regard, 700 companies have been issued, in accordance with the Arab and foreign financial investment law, and 540 local joint-stock companies, in addition to several thousand partnerships in the last 10 years. This is a great success. Given these companies' type of activity and high profit, one can determine the form of achievement realized by the money market in Egypt.

[Question] What about stock market trading?

[Answer] The trading volume on the Alexandria and Cairo stock exchanges was about 114 million LE last year. This is not bad given that activity had been halted for many years due to political circumstances and also the lack of awareness about the benefits of securities trading. Nonetheless, we are in the forefront of the region's countries from the standpoint of sustained and stable trading.

[Question] There are continual complaints by local and foreign investors about complicated investment laws and drawn-out procedures.

[Answer] These are reasonable complaints to some extent. We have studies underway aimed at clearing out such obstacles from investment laws and are studying the possibility of unifying them under one law to simplify the procedures for establishing companies.

[Question] How does the higher dollar rate affect money market activity in Egypt?

[Answer] The matter of fluctuating currency rates has become an international issue suffered by all countries, including the advanced ones. Undoubtedly, it has some adverse effects on increased investment project activity, but it is still a limited effect, as evidenced by the regular rate at which new companies are being established in the various fields.

12502
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EGYPT

DEBATE ON ISSUE OF WOMEN WORKING OUTSIDE HOME

London AL-TADAMUN in Arabic 14-20 Jun 86 pp 62-63

[Article: "After Half a Century of Work, Voices in Egypt Demand Ban on Working Women"]

[Text] Half a century after the Egyptian woman left her home to join the stable job market, Egyptian working women find themselves under indictment. More than one writer and man of letters has written about the need for women to return once again to their homes. Indeed, Dr Mustafa Mahmud wrote in the Cairo newspaper, AKHBAR AL-YAWM, that allowing women to work outside the home is an affront, even in her capacity as a cabinet member. What does a cabinet member mean? He added: "Women used to rule the world from the bedroom! Nowadays, men do not have any authority left now that women are ruling by money. They ought to return to their homes so that men may provide."

Thus wrote Dr Mustafa Mahmud, the presenter of the TV program, "Science and Faith," who has been joined in his opinions and advocacies by many others, giving other authors and intellectuals a premise for joining the dialogue to reply to such calls.

AL-TADAMUN joined the dialogue as well, seeking the opinion of authors and journalists on the issue being discussed on the pages of the Egyptian press today.

Author and psychologist Nawal al-Sa'dawi gets agitated by the mere mention of what is being said and published about the woman and her rights.

"Women's work in society is a political, economic, social, and psychological necessity. We reject the principle of haggling over her right to work because her working is a right and a national duty which women themselves do not have the right to relinquish. I regard this campaign against working women as a form of cultural and civilizational Salafiyah apostasy which recently has become widespread in Egyptian society."

Nawal al-Sa'dawi adds:

"If some women choose to dedicate their time to homemaking, it is because of the heavy burdens of combining housework and office work because prevalent

social values do not impose on the husband any obligation to share with his wife housework and child-rearing so long as they are partners in production, earning, and spending."

Author Najib Mahfuz has another vision:

"I believe that is is fair to provide higher education opportunities and specialized work for outstanding women only because our failure to acknowledge this is a waste of the mind and creative talent. As for others, they are better off dedicating themselves to a task no less momentous than medicine or engineering, namely the rearing of new generations."

Najib Mahfuz proposes the establishment of a branch at universities to teach female students the basics of child-rearing, home economics, pediatrics, music, and embroidery so as to create a group of specialized educated mothers able to produce sound, healthy generations.

As for author-journalist Ahmad Baha'-al-Din, he has something distinctive to add:

"In my estimation, problems hampering working women in Egypt are not caused by the government or labor laws. They are due to the social heritage as represented in traditions and customs handed down from one generation to another. Such things require a long time to change. We must note that eastern men, regardless of education or general views, have an aversion to marrying girls who are their equal. This is a handed-down tradition."

Ahmad Baha'-al-Din elucidates:

"The social perspective of men and women from childhood is a problem as well. Boys are usually brought up to earn a living while girls are brought up for marriage. This example explains the difference between the woman's right to work and her duty to work, for social upbringing is the cause for the woman's failure to identify with the business world."

Dr Mahmud 'Abd-al-Fadil (professor of economics at the Planning Institute) in Cairo offers statistics about women's employment in Egypt.

In 10 years (1966-1976), the female work force in Egypt doubled to 1 million women employees, according to 1984 statistics, 900,000 of whom are employed by the public or government sectors. The frightening picture here is how the government can make up for such a loss of manpower if women give up their jobs to return to their homes.

Dr Muna Abu Sunna (profesor of English literature at 'Ayn Shams University) says: "There is a kind of visual illusion between the work of men and the work of women. There are those who believe that men produce and women consume. This is true on the surface and is indeed experienced in everyday life since the woman's energies are directed at the 'kitchen' and are influenced by the 'kitchen' mentality which is basically one of consumption. Men are completely the opposite. They work outside the house and participate in decision-making."

In the national seminar for women, held in Cairo 1 April 1986, Dr Amal 'Uthman, minister of social affairs, said:

"The lack of job opportunities in Egypt is not due to the woman's work, but rather to a flow in the job opportunity system."

Fayidah Kamil (former member of the Egyptian People's Assembly) emphasized the fact that some bills have been submitted to the People's Assembly to restrict women's employment. These voices created an abnormal and unnatural way of thinking.

But Dr Shafiqah Nasir (Shura Council member) has said:

"The Shura Council report on the development of the Egyptian human being has concluded that the shortest way to development is the development of the Egyptian woman."

On the other hand, the harshest accusation levelled at women in recent years is that Eve is behind all youthful digressions and absence of values.

Here, Ahmad Baha'-al-Din emphasizes that women have worked ever since creation and that pictures on the walls of the Pharaonic temples depict women working. In the desert, bedouin women used to leave their homes to graze cattle. In the Egyptian countryside, women used to help their husbands in the field. The novelty is not in women going out to work, but rather in the modern form of large industrial cities. General manifestations of the loss of values are due to huge industrial cities and their new values.

Hence, the discussion about the employment of women extends to all sectors of society, from the dome of parliament to social clubs and government offices, without anyone knowing why some individuals insist on putting constants and self-evident truths on the negotiating table. Once again, the dialogue about "Egypt's Arabism" has once reached the starting point, namely, that Egypt is Arab in body and soul. As for the issue of women's employment called for by Qasim Amin and underscored by Taha Husayn half a century ago, it is once again up for discussion in Egyptian society without anyone knowing the intention behind such a debate.

12502
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EGYPT

PICKUP EXPLOSION BLAMED ON DRIVER ERROR

NC231321 Cairo Domestic Service in Arabic 1230 GMT 23 Jun 86

[Text] A responsible source at the Interior Ministry has stated that at approximately 0600 today, a Cairo pickup bearing plate number 81087 was heading from Al-Saff toward Hulwan and, just in front of Al-Tabbin village, an explosion occurred that made the pickup skid into the canal near the road. The external walls of 3 houses built of red brick and limestone collapsed and 13 other houses were damaged. Eight persons, including the driver, were killed, 15 others were injured, 10 slightly and 5 others with various wounds. All of the wounded were taken to the Hulwan General Hospital for treatment.

Security organs inspected the scene and determined that the cause of the explosion was about 20 kgs of explosive material that had been loaded in the truck. The pickup was on its way to a marble quarry in Hulwan, which is used for crushing rocks. The pickup belongs to Ibrahim Amin Sa'd, resident of the Al-Ma'adi quarter, who sold it to 'Umar Hasan Husayn, who works in the marble quarry of Al-Kuraymat. The cause of the explosion was due to technical human error and failure to follow due safety precautions. This caused a fire at the rear of the pickup, which ignited the explosive material.

Eyewitnesses, including engineer Joseph, who works for the health unit in Hulwan, and driver Kamal al-Din Ahmad have said that they saw the fire at the rear of the pickup and tried to warn the driver, but he was driving too fast to hear them. Criminal laboratory and explosive experts went to the scene to inspect the damage and representatives of the prosecutor's office have started investigations into the incident.

/6662
CSO: 4500/155

BRIEFS

NEW COMMANDERS APPOINTED--Cairo, 27 Jun (MENA)--Staff Major General Ibrahim al-Jundi has been appointed commander of the Western Military Zone. He will replace Staff Major General Salah Taha who has been appointed military attache to Paris and Brussels. It has also been decided that Staff Major General 'Isam al-Din Zaki will be appointed chief of staff for this zone. [Text] [Cairo MENA in Arabic 2155 GMT 27 Jun 86 NC] /6662

AL-AZHAR REJECTS ISRAELI IMPORTS--[From Amin al-Qutub in Cario] The Al-Azhar University rector has refused to approve a request by the Egyptian Government to issue a ruling that would allow meat imports from the Zionist entity. The Egyptian Government had submitted to the Al-Azhar University a request by some public sector companies for a ruling in this respect. But the Islamic Research Center in the Al-Azhar University has refused to issue such a ruling. Leading those against it were the grand imam, the Al-Azhar rector, Shaykh Jad al-Haqq 'Ali Jad al-Haqq; the head of the Islamic Research Center; Shaykh 'Abdallah al-Mashadd, chairman of the Al-Azhar's committee for rulings; and Dr Zakariya al-Barri, former Awqaf minister. Shaykh 'Abdallah al-Mashadd stated that Al-Azhar University's refusal to issue the required ruling stems from the conscience of the Al-Azhar scholars and from their care for the interests of Muslims, which are a trust in the hands of Al-Azhar and its rector and all its scholars. Shaykh Zakariya al-Barri stated that Al-Azhar University has taken into consideration the fact that the promotion of Israeli goods in Islamic countries is prohibited as well as assisting the Zionist enemy's economy, an economy which is a war economy aimed by the Zionists to strike at the Arabs and Muslims. [Text] [Amman AL-RA'Y in Arabic 26 Jun 86 p 1 JN] /6662

CSO: 4500/155

SUDAN

ISLAMIC DA'WAH ORGANIZATION SUSPENSION, INVESTIGATION

Group Denies Headquarters Transfer

JN271645 Khartoum SUNA in English 1630 GMT 27 Jun 86

[Excerpt] Khartoum, June 27 (SUNA)--The information and publication department of the Islamic Da'wah (Propagation) Organization denied that the organization had transferred its headquarters to another country.

In a press statement released here today the information and publication department asserted that the Islamic Da'wah Organization did not suspend its activities because it is an international missionary organization.

"If the government suspends the organization's activities, we will transfer the headquarters to any country that supports the organization's target," the press statement said.

[Words indistinct] if its work was suspended.

The attorney general had recently ordered the suspension of the Islamic Da'wah Organization on the ground that Article 3 from Missionary/Agencies Acts provided that each agency has one year legality of missionary licence unless it is renewed.

Humanitarian Character Asserted

JN281649 Khartoum SUNA in English 1635 GMT 28 Jun 86

[Text] Khartoum, June 28 (SUNA)--The Islamic Da'wah (Propagation) organization has stressed that Sudan will remain one of its top priorities even if it was obliged to move its headquarters from Khartoum and reaffirmed that it had no partisan link inside or outside the country.

This came in a press conference held here today by the Organization to clear facts on a decision taken by the government on the suspension of the organization's activities in the country.

The organization reaffirmed that it was a humanitarian one extending its services to all people regardless of their religions, sects and parties and that it had spent more than 32 million dollars in the country.

Government Plans Investigation

JN281114 Khartoum SUNA in English 1030 GMT 28 Jun 86

[Text] Khartoum June 28 (SUNA)--Investigations on the activities of the Islamic Da'wah Organization (IDO) will be carried out by a committee comprising government representatives and members of the IDO board of trustees, it was announced here yesterday.

A meeting between Premier al-Sadiq al-Mahdi and the IDO board of trustees yesterday has agreed on separating IDO's relief activities from IDO activities on propagation of Islam, reforming the IDO board of trustees, and transferring all medical educational and other services institutions established by IDO to the government control.

A statement by the Council of Ministers made public yesterday points out that IDO board of trustees has voiced its commitment to the Islamic activities and that IDO has no intention of adhering, backing or associating itself to any political party.

On his side the prime minister has pinpointed that IDO has been manipulated by a political group for its partisan activities and interests away from the original objectives of the organization.

The results reached by the meeting will have their effect in purifying the activities of IDO from any political color, the detailed statement by the Council of Ministers predicted. In a clear reference to the Islamic National Front (INF) leader Dr. Hasar al-Turabi, the statement accused a political group of trying to monopolize the activities of IDO for its, INF's, political purposes. In this regard, the statement referred to two previous communiques issued by the INF in which it accused the government of trying to minimize the noble goals of IDO. The opposite is correct, said the government statement.

Defending the government move which suspended the activities of IDO, the statement said the government elected by the people finds the activities of IDO within the government policy to review and clamp down the activities of every relief or aid organization working in the country.

Council of Ministers Retracts Statement

JN281517 Khartoum SUNA in Arabic 1420 GMT 28 Jun 86

[Text] Khartoum, 28 Jun (SUNA)--The Council of Ministers' Secretariat General issued a statement today explaining that the points included in yesterday's

statement on an agreement between the prime minister and the Islamic Da'wah Organization [IDO] board of trustees were presented incorrectly. Today's statement says that these points were personal suggestions only and were not discussed in the meeting yesterday between the prime minister and the IDO Board of Trustees. These points were presented in order to be discussed by the two committees which the government and the IDO agreed would discuss the whole matter.

The four points included in yesterday's statement about an agreement between the prime minister and the IDO Board of Trustees include separating the IDO's relief activities from its genuine activities, reviewing the composition of the IDO Board of Trustees and the executive administration in Sudan, and transferring its service institutions to the government.

/6662
CSO: 4500/153

ISRAEL

IDF NOW USING SIMULATION COMBAT TRAINING

Tel Aviv BAMAHANE in Hebrew No 32-33, 16 Apr 86 p 5

[Article by Ronit Furian: "The IDF is Turning to the Cheapest Alternative--Simulation Training"]

[Text] An installation for daily combat training was opened recently for use by soldiers in the reserves and in regular service. Aids for the regular training including many simulators and the intensive training which lasts only 1-day serve to ease the hard-pressed training budget, especially with regard to tank engines which are high-priced and the ammunition which is so expensive. Chief of Staff Lieutenant General Moshe Levy, Commander of Armored Forces Major General Amir Drori, and Chief Armored Forces Officer Brigadier General Amos Katz visited the installation this week.

"The least expensive alternative involves training with simulators. These do not represent a substitute for full training, but serve to fill in gaps and to ensure a complete basic level of professional knowledge. An additional advantage of training with a simulator is the possibility of studying the smallest details," said Brigadier General Amos Katz.

The most impressive apparatus is the simulator for driving tanks. The simulator sits on a large sand-table which represents an exact model of various types of terrain including mined fields, bridges, canals, dirt roads, rocky regions, and more. A movie camera transfers pictures from the sand-table to the computer screen, across from which an instructor sits, and to the driver's cubicle. In the actual cubicle, apart from the "picture of the area," there is also a system for representing sensations which are almost identical to the sensations experienced while driving a tank. When going over a mine, the cubicle swerves to the side. The instructor, who sits in a nearby room, issues directions to the driver. His control of the tank is complete. When needed, he can override the brakes, because when the driver does not operate the emergency brake properly, he can overturn.

Another simulator is intended for training in the techniques of shooting with guns from tanks. The student sits opposite a screen on which is projected a picture of the target. With the controls in front of him, he is supposed to destroy it. The data available to him include how well he

performs, the type of tank, the amount of ammunition, the type of shells he is shooting with, and a time gauge. In other classes, the operators sit facing computer terminals and learn to locate obstacles with various tank systems.

The training schedules were determined by the installation commander, Lieutenant Colonel "Tz." in accordance with the needs of the formations and the level to which the battalion aspires in operating tanks.

"The installation was initially intended for the armored forces, in particular for tank divisions, but, in light of its great success, other units are also using it."

9348/9190
CSO: 4423/111

ISRAEL

PROPOSAL FOR 3 YEARS OF WOMEN'S MILITARY SERVICE

Tel Aviv BAMAHANE in Hebrew No 34, 29 Apr 86 p 5

[Article by Barukh Ron: "The Top Brass of the Women's Corps is Working on Extending Women's Service in IDF to 3 Years"]

[Text] The staff of the Women's Corps is working towards extending the length of service of women in the IDF to 3 years in order to progress towards greater equalization between men and women in military service. So said Women's Corps Colonel Amira Dotan in a conversation with BAMAHANE published here.

In another area concerning equality in the IDF, the recruitment of orthodox girls, Colonel Dotan said she supports the notion that orthodox girls will not be recruited, but she considers it understood that they will have to work in national service. "Orthodox girls generally grow up all their lives within a homogeneous female community with customs and a culture all their own. This is a very protected, exclusive family framework. It represents a ghetto with another mentality. Many marry young. To take them out of that framework suddenly and put them into a completely different one would be impossible." She told of a case brought to her attention of an orthodox girl who dared to try to do so and who paid a very high price.

On a different subject, Colonel Dotan said that 28 percent of the female IDF soldiers serve in clerical positions as compared to about 70 percent when she entered the service. "I am in favor of women serving in clerical positions when needed, but no more than that," she emphasized. "But you do not have to emphasize the 28 percent who are secretaries. You could focus, instead, on the 70 percent who are not. And the positions filled by women today are much less conventional than in the past--workers in emergency storage units, cooks, electricians for transport vehicles, investigators for the military police, radar, electronics, and in important positions within the intelligence corps."

9348/9190
CSO: 4423/111

WAR STATISTICS CITED BY DEFENSE MINISTRY

Tel Aviv BAMAHANE in Hebrew No 30, 2 Apr 86 p 7

[Article by Barukh Ron: "3290 Widows, 4669 Orphans"]

[Text] As of 28 Feb 1986, there were 3290 IDF widows in Israel, 4669 orphans 4700 sets of parents who had lost children, and 5681 single parents who had lost children.

These figures come from data released recently by the rehabilitation department of the defense ministry.

The total population being cared for by the department as of that date was 68,086 people.

The largest number of dead in the history of Israel up until the "holy mission" (28 October 1956) was 6079 soldiers. During the Yom Kippur War, 2676 soldiers were killed. In the war of attrition, 1414 were killed, and in the war in Lebanon (5 Jun 1982 - 31 May 1985) 1116 were killed. From 1 Jun till 28 February of this year, 107 soldiers have been killed.

9348/9190
CSO: 4423/111

KUWAIT

LABOR MINISTER COMMENTS ON REDUCING EXPATRIATE LABOR FORCE

Kuwait AL-SIYASAH in Arabic 13 Jun 86 p 1

[Article: "We Are Trying To See to It that the Total Number of Expatriates Residing in Kuwait not Exceed the Number of Kuwaiti Citizens; al-Jami'an: 'Kuwait Will Reduce the Number of Expatriate Workers because of Economic Conditions; 50,000 Expatriate Workers Come to Kuwait Every Year; 2,000 Leave Kuwait Every Month';"]

[Text] Mr Khalid al-Jami'an, minister of labor and social affairs, said that Kuwait was in the process of reducing the number of expatriate workers because of the region's economic conditions. This way, Kuwait can rely on local Kuwaiti workers in most centers of production.

In a statement to the newspaper AL-ITTIHAD, which was published yesterday in Abu Dhabi and relayed to KUNA, the minister added that this was being done in the context of the 5-Year Plan. He affirmed that the country was trying to rely primarily on Arab expertise and skills.

Al-Jami'an stated that between 4,000 and 5,000 workers come to Kuwait every month. These workers, who are brought into Kuwait in accordance with specific conditions and standards, come to Kuwait to work in specialized activities sanctioned by the ministry under the conditions it defined for bringing such workers into the country, such as commitments to government contracts. Workers may come to Kuwait to work in national industries and in fishing; they may take jobs in private schools, in hotels and in some government companies within the limitations of the actual need for them.

The minister said that it is Kuwait's policy that under no condition whatsoever the total number of workers who come to Kuwait from all other countries would exceed the total number of Kuwaiti citizens. He indicated that that required a well-considered plan which the state would try to implement very closely with the cooperation of all parties.

He stated that between 45,000 and 50,000 persons come to Kuwait every year. At the same time between 20,000 and 25,000 persons leave Kuwait every year. Those people leave because their contracts with their employers expire. The contracts of between 1,500 and 2,000 persons expire every month.

8592
CSO: 4404/376

KUWAIT

KUWAITIS TO MAN SENSITIVE POSITIONS IN OIL INDUSTRY

Kuwait AL-SIYASAH in Arabic 14 Jun 85 p 4

[Article: "His Highness the Crown Prince Responds to Proposals Expressing Parliamentary Wishes; Kuwaitis To Assume Leadership Positions in Refinery Maintenance"]

[Excerpt] The Cost of a Gas Station Is 300,000 Dinars.

Construction Violations To Be Overlooked according to Regulations and Conditions.

Sea Port and Services for the Fishermen of Doha.

Self-service Gas Stations Proved To Be a Remarkable Success.

His Highness the crown prince and prime minister responded to a number of proposals which expressed parliament's wishes. These proposals dealt with employing Kuwaitis in the maintenance of refineries which are affiliated with the corporation. Contract bids presented by the Kuwaiti Petroleum Corporation are to include articles guaranteeing that Kuwaitis would be qualified and trained to manage and operate the projects. A contractor is to be obligated to train Kuwaiti nationals, who are to make up no less than one third of the labor force for the projects, and he is to give his employees the necessary experience and training. The third proposal comprised the formation of a committee from the Kuwaiti National Petroleum Company to study the situation and inspect the location of a gas station, which is located on King Faysal Street in the district of Khaytan. The committee would also listen to citizens' complaints prior to changing that station's location to one that is more appropriate than the current one. The fourth proposal comprised the establishment of a new facility for fishermen in lieu of the current facility which does not meet the purpose for which it was built. The fifth proposal called for building violations, which had occurred in the districts of Sabah al-Salim and Sharq al-Ahmadi, to be overlooked. The sixth proposal suggested the introduction of an additional fuel pump which is operated by the previous system. This fuel pump would be added to the self-service stations which serve women. A supervisor would be provided for the station to facilitate the refueling process. Finally, his excellency responded to the proposal regarding parliament's wish to take the initiative and build a bridge to be used by automobiles crossing to the beltway near the traffic light across from the used car mart. This bridge will avoid many accidents and ease traffic.

The answers which His Highness the crown prince gave to the aforementioned proposals were as follows:

Petroleum Refineries

Regarding the proposal to employ Kuwaitis in the maintenance of petroleum refineries, his highness said that the policies which are being implemented by the Kuwaiti Petroleum Corporation to develop national human resources attempt to advance the standard of educating Kuwaiti technicians who are working in refinery maintenance and making them qualified for positions that would give them the maximum amount of technical and specialized skills and experiences. The corporation does this on the basis of its plans to make the best use of the national work force.

The corporation tends to concentrate on developing the skills of Kuwaitis working in refinery maintenance and strengthening their participation in this line of work, particularly in specialized and sensitive activities which require high skills that are related to advanced machines and technology. Kuwaitis hold leadership, supervisory and technical positions in all these activities, including regular maintenance programs for refineries whose management they oversee.

As far as routine, non-specialized maintenance is concerned, the help of foreign workers is sought under restrictions and under the supervision of Kuwaiti maintenance officials at each refinery. These maintenance activities are not sensitive since most of them are carried out by unskilled workers. In implementing its policy, which is based on the ideal use of qualified nationals in the most spcialized and skilled positions, the corporation guarantees to provide young Kuwaiti technicians the broadest work opportunities in refinery maintenance so that they can gain the maximum amount of skill and experience. That would strengthen their contribution to these activities and serve the corporation's principal objective of increasing the ratio of native workers in all the activities of the oil sector.

Training Kuwaitis

Regarding the proposal that bids to the Petroleum Corporation include articles stipulating that training will be provided to young Kuwaitis, his highness said, "Having such a stipulation in all bids for projects would raise costs for these bids. That would not give the corporation and its companies the required return, which may be achieved by having the corporation and its subsidiaries conduct this training without including this stipulation in the bid. In some cases, depending upon the nature of the project, companies resort to having the contractor include the training of some employees in the bid when such training is not available locally."

8592
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KUWAIT

ARMED FORCES URGED TO SHUN ISSUES IRRELEVANT TO COUNTRY

Kuwait AL-SIYASAH in Arabic 9 Jun 86 p 3

[Article: "Messengers Bring Greetings from His Highness the Prince and His Highness the Crown Prince to Members of Two Bases; Minister of Defense Calls upon Air and Naval Forces To Be Cautious and Wary of Actions Taken To Involve Kuwait in Matters That Do Not Concern It"]

[Text] Minister of Defense al-Shaykh Salim al-Sabah visited Ahmad al-Jabir Air Base and Naval Base 2 days ago in the morning.

Upon his arrival at Ahmad al-Jabir Air Base the minister was greeted by Air Force Brig Gen Badr al-'Atiqi, air force and air defense commander; by Staff Brig Gen 'Abd-al-'Aziz al-Ghannam, commander of the Air Defense Brigade; by Staff Col Sabti Abu Ghayth, base commander; and by a few air force officers and technicians at the base.

The minister of defense relayed greetings from His Highness the prince of the land and commander in chief of the army and armed forces, and from His Highness the crown prince and prime minister al-Shaykh Sa'd al-'Abdallah al-Salim al-Sabah. The prince and crown prince sent greetings to all air force and air defense employees, particularly those who were on duty, carrying out the duties with which they were charged during the days of Lesser Bairam. The prince and crown prince wished all the employees success and progress in serving the beloved homeland.

During a tour of the base al-Shaykh Salim viewed the Hawk airplanes which had recently arrived in the country as part of the last installment of airplanes which Kuwait had agreed to purchase from the United Kingdom.

Kuwaiti air force officers, who had flown these airplanes from the United Kingdom to Kuwait, also supervise maintenance and preservation operations for these airplanes. They also supervise the training that is conducted on these airplanes, which are used for training as well as ordinary combat missions. The minister of defense then visited the naval base where he was greeted by Navy Staff Brig Gen Habib al-Mayl, commander of the naval forces, and a number of base officers. Al-Shaykh Salim conveyed to all those who are affiliated with the naval forces greetings from his highness the prince of the land and commander in chief of the army and armed forces, and greetings from his highness the crown prince and prime minister.

The minister of defense spoke about the importance of the sea to the people of Kuwait in the past and in recent times as well. He spoke about the close relationship that exists between the sea and the economic, political and social lives of Kuwaitis. He also referred to the great responsibility and the missions with which the naval forces have been entrusted, and he spoke about what they do in conjunction with the air force and air defense to protect our territorial waters.

The minister of defense mentioned that it was essential that caution and wariness be observed regarding what was happening in the area and the actions that were being taken to force Kuwait to become involved in matters that do not in any way concern it. The minister said that all of us have to concentrate on serving the country and preserving its security, stability and the safety of its territory.

The minister of defense boarded a military vessel which operates under the authority of the naval forces. He met the captain of the vessel and the military men on board, and he expressed his good wishes to them on the occasion of the feast. He reviewed their daily routine, a routine they carry out while they patrol the seas to protect territorial waters, the coastline and Kuwaiti islands.

The minister traveled by sea to one of the vessels that was on duty near one of the Kuwaiti islands. Al-Shaykh Salim al-Sabah visited the vessel on location and met with the officers and soldiers, wishing them the best on the occasion of the feast. He relayed to them greetings from his highness the prince and his highness the crown prince. He was briefed about the missions with which the officers and soldiers have been entrusted, and he was shown the area they were protecting. They are the ones who guard our naval borders while the land forces protect our international borders. May the Kuwaiti people and those who reside in Kuwait enjoy this good country and live in it a quiet and tranquil life.

Al-Shaykh Salim prayed God Almighty that He keep Kuwait a secure and safe country, an oasis where affection and stability can flourish under his highness the prince of the land and the wise government. Al-Shaykh Salim prayed that our Arab and Islamic nation celebrate many feasts in which we can enjoy glory, dignity, high rank and invincibility.

8592
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BRIEFS

DAILY STAR CEASES PUBLICATION--Our colleague, the English language weekly THE DAILY STAR, yesterday announced that "publication of this magazine will stop temporarily because of the deteriorating security and economic situation, but preparations are being made to resume publication, together with its sister AL-HAIYAH, outside Lebanon shortly." It is worth noting that our colleague AL-HAIYAH ceased publication in 1976. Publishers of the DAILY STAR and AL-HAIYAH, Jamil, Karim, and Malik Marwah, stated that "publishing the magazines outside Lebanon is a temporary measure dictated by the situation in the country and both magazines will resume publication in Beirut when security and economic conditions improve. The publishers hope the absence of AL-HAIYAH and THE DAILY STAR from Lebanon will not be long." [Text] [Beirut AL-NAHAR in Arabic 20 Jun 86 p 4 NC] /6662

CSO: 4400/222

BRIEFS

ISRAEL 'SEEKING' CAUSES FOR AGGRESSION--Damascus, 26 Jun (SANA)--The newspaper TISHRIN said that by the very nature of their timing and circumstances, the Israeli statements affirm that Israel is seeking causes for launching aggression against Syria. Referring to Israeli War Minister Rabin's statement that Palestinian resistance elements inside the occupied territory seized weapons and ammunition belonging to the Israeli Army and the Zionist radio reports that Syria is planning an attack against the Israeli Army and that the Lebanese resistance activities in the border strip with Lebanon have increased, the paper said that these statements will have serious consequences for the inhabitants of the occupied territories and are designed to provide a cover-up for confiscating Arab land and using it as economic and military bases to serve the Israeli settlers, and for killing Arab detainees in Israeli jails. The paper noted that these statements are aimed to prepare the atmosphere and minds to justify any Israeli strike against the Palestinians, the national Lebanese resists, or Syria. In conclusion, the paper pointed out that when Israeli Energy Minister Moshe Shahal says that Syria is trying to acquire nuclear reactors, he is trying to justify Israel acquiring nuclear weapons and threatening Syria. [Text] Damascus SANA in Arabic 0800 GMT 26 Jun 86 JN] /6662

AL-THAWRAH: 'LIBERATION', STRATEGIC BALANCE--Damascus, 26 Jun (SANA)--The newspaper AL-THAWRAH affirmed that Syria is determined more than ever before to continue the march of liberation which it began in the [1973] October war of liberation. In its comment today, the paper adds that Syria is now the striking force of the Arab liberation movement and the first to defend Arab land and pan-Arab rights. When Syria moves on all levels to achieve a strategic balance with the Zionist enemy, it takes into consideration the goal of comprehensive liberation. The paper points out that the beginning was the October war, with the liberation of Al-Qunaytirah, and with the heroic confrontation of the Israeli invasion of Lebanon in 1982. This beginning has now been turned into a qualitative step in our people's militant march, thanks to the series of qualitative achievements that have been realized in Syria. The paper says that now is the time for steadfastness, liberation, and heroic deeds which will pave the way for the comprehensive liberation of all the occupied Arab territories, headed by Jerusalem, the Golan, Sinai, and southern Lebanon. [Text] [Damascus SANA in Arabic 0730 GMT 26 Jun 86 JN] /6662

CSO: 4400/222

YEMEN ARAB REPUBLIC

PRESIDENT, AL-JAWF GOVERNORATE FIGURES HOLD RAMADAN MEETING

Sanaa AL-THAWRAH in Arabic 14 May 86 pp 1,2

[Article: "The President, Commander and Secretary General Meets with the Representatives and Officials of Al-Jawf Province and Asserts That This Year's Meetings Are Distinguished by Comprehensiveness of Discussion and a Constructive Style of Dialogue"]

[Excerpts] The day before yesterday in the afternoon our brother Col 'Ali 'Abdallah Salih, president, commander general of the armed forces and secretary general of the general people's conference, met with our brothers the representatives of the Governorate of al-Jawf in the form of citizens, notables, paramount sheikhs, members of the general people's conference, heads and members of the local councils for cooperative development, the governor and the officials of the province, as part of his blessed Ramadan meetings with the people and their official and mass institutions.

At the beginning of the meeting, our brother 'Ilwi Munsir Qa'sham talked in the name of the people of al-Jawf Governorate, offering thanks and appreciation to our brother the president and commander for his concern with and attention to the people of the governorate and for meeting with them at the beginning of his meetings with the governorates in order to learn about the citizens' conditions, get a feel for their issues, concerns and aspirations toward further accomplishments in various areas and give the citizen a real opportunity to exercise his democratic rights to express himself, show his opinion and take part in bearing responsibility, in embodiment of the principles and goals for whose consolidation the immortal 26 September revolution took place and which the contents of the national charter, which expresses the will of the people and embodies their aspirations, have asserted.

In his statement he praised the great success our people have realized in the broadest and greatest true exercise of people's democracy through the election of their representatives to the local cooperative development councils and the expansion of membership in the general people's conference, which is incumbent on everyone, redoubling efforts at enlightenment, constant effort and the strengthening of national unity in application of the contents of the national charter, which the political action program of the general people's conference has asserted.

In another area, our brother the president and commander listened to a report about the steps the Agricultural Lending Bank has carried out in the Governorate of al-Jawf in the area of offering agricultural loans to farmers in the form of reapers and pumps and the drilling of water wells.

The report asserted that the bank has offered farmers in al-Jawf 54 reapers and 216 diverse irrigation units and drilled 23 artesian wells at a total cost of 24 million riyals at very low interest, in execution of the directives of our brother the president, commander and secretary general calling for the reduction of interest on agricultural loans to 7 percent in order to support the farmers and advance agricultural development in our country.

In this regard, our brother the president and commander issued his directives to the Ministry of Agriculture and the Agricultural Cooperative Lending Bank to make a field survey in agricultural areas, determine the types of farm machinery and equipment which are in keeping with the nature of each area and the farmers' receptivity to them and provide complete maintenance of equipment in each area. He also issued his directives to the Ministry of Agriculture to work to establish a specialized agricultural institute in al-Jawf Governorate.

As regards the educational aspect, our brother the president and commander has issued his directives to the Ministry of Education to start constructing a secondary school in al-Jawf Governorate to accommodate students who have gone beyond the preparatory stage. After that, our brother the president and commander discussed their future work plans and the activities they are carrying out at present with the heads and members of the local cooperative development councils in the governorate, stressing the importance of the local councils' performance of their role in enlightening citizens, guiding them in a manner which will benefit them and benefit the nation, expanding agricultural considerations in view of the expansion of the agricultural area in al-Jawf Governorate and constructing agricultural societies and common projects among citizens.

Our brother the president asserted that the government is giving its attention to the requirements of all our country's areas and is working in accordance with its available resources to carry them out within the development plans and programs. In spite of the limited nature of resources, it is placing necessary, pressing requirements at the head of its tasks.

Proceeding from this premise, our brother the president and commander declared that work on the Nahm al-Jad'an-al-Jawf road project will start next month, stating that the road project will make a great contribution to increasing and guaranteeing the marketing of agricultural production in the area.

11887
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YEMEN ARAB REPUBLIC

PRESIDENT DISCUSSES AL-HUDAYDAH DEVELOPMENT PLANS

Sanaa AL-THAWRAH in Arabic 16 May 1986 pp 1, 2

[Article: "The President, Commander and Secretary General Meets Representatives and Officials of Al-Hudaydah Governorate and Listens to Reports on the Execution of Some Projects in the Governorate"]

[Excerpts] The day before yesterday in the afternoon our brother Col 'Ali 'Abdallah Salih, president, commander general of the armed forces and secretary general of the people's conference, met with our brother representatives of the Governorate of al-Hudaydah Province in the form of officials, members of the general people's conference, heads and members of the local cooperative development councils, subdistrict directors, paramount sheikhs, notable figures, merchants and young people's representatives, in the course of his democratic Ramadan meetings.

Our brother 'Abd-al-Rahman Muhammad 'Ali 'Uthman, the governor of al-Hudaydah Province and member of the permanent committee, spoke at the beginning of the meeting, conveying to the president the greetings and salutations of the people of the Governorate of al-Hudaydah on the blessed holy month. In his statement, he said, "Your choice, our brother the president, of the nights of blessed Ramadan as a time for these meetings is to be considered brilliant proof of your respect for this holy month through the inspiration of your firm faith in the solid link between the responsibilities of rule and the rituals of the religion. You are thus combining the virtue of venerating God's rituals with application of the essence of the democratic systems which all peoples seek and are also asserting your devotion to the principles and goals of the eternal 26 September revolution, which was translated, and whose concrete form was innovated, by our national charter, the theoretical guide and practical platform of our people."

The chairman of the local assembly of the city of al-Hudaydah presented a report on the council's activity and future plans, stating that the projects which had entered into the framework of the local council's commitments for cooperative development of the city of al-Hudaydah so far came to 18,077,000 riyals and that there were projects which would be carried out during the transitional stage from 1986 whose cost was estimated at 15 million riyals.

Our brother the president and commander also heard a report about the projects the mayor's office in the governorate is to carry out and prepare,

pointing out that the municipality has provided electricity for streets totalling 9.5 kilometers in length at a cost of 2 million riyals and that the paving of some streets with an overall length of 9.8 will be carried out at a total cost of 15 million riyals. Our brother the president reviewed the Tihamah Development Authority's activities during the past year, the projects which are being carried out in Tihamah, including the al-Luhayyah-al-Zuhrah road project, and the horizons for the future, which bode well for the agricultural projects the authority is overseeing in the Tihamah area, now that God has graced our country with beneficial rains during this year and great beneficial floods have flowed.

Our brother the president and commander also listened to a report about electricity projects in the governorate in 1985. The total cost of the projects which were executed came to 21.7 million riyals, of which the rural areas' share was 15 million riyals, in addition to other electricity projects under construction, whose total costs come to 51.5 million riyals, of which the rural areas' share is 35 million riyals.

The necessary studies have also been carried out concerning the electricity project for the city of al-Durayhimi, the Bar' Subdistrict, the town of al-Lawiyah, the town of al-Sukhnah, the island of Ra's 'Isa, the town of al-Qanawus, al-Salif, al-Hujayliyah, al-Khukhah, the town of Hays, al-Mansuriyah and the town of al-Qati'.

After that, an open discussion took place in which a number of the people present spoke, dealing with various issues and concerns the Governorate of al-Hudaydah is experiencing and the projects that are now being carried out in the governorate, especially those which the president and commander directed be executed during his visit to the city at the beginning of this year.

After that our brother the president and commander spoke, expressing his satisfaction with the views and recommendations he had heard and the optimistic feelings and aspirations for the future common to the people of al-Hudaydah Governorate, stressing the importance of exerting efforts in the framework of integration and coordination among the various agencies for the sake of improving and organizing the city's tourist facilities and also for the sake of establishing tourist facilities in the other areas of the governorate and issuing his directives for the construction of 200 villas for citizens, of which 100 will be allotted to the city of al-Hudaydah, 50 to the town of Khukhah, and 50 to the town of al-Mukha', in order to encourage and stimulate tourist activity in these coastal towns.

[Line missing] such as confrontation by the competent bodies to redouble efforts in marketing the crops of farmers in Tihamah, in order to encourage the farmers to cultivate the land and produce large quantities of crops.

Our brother the president emphasized the importance of having the officials in the offices of the ministries and government departments and organizations in the governorate work in their respective jurisdictions to organize their activities and follow up on the projects they carry out in various areas of the governorate, not just in the city, stressing the need to work

to encourage cultural and sporting activity for young people in various administrative units in the governorate and also to work to provide health services and develop the level of performance within them in the rural areas of the governorate, stressing the importance of having the local councils assume their role in this area and participate in the process of preparing personnel and developing services.

Our brother the president and commander asserted that the construction and development process is ongoing and is everyone's responsibility, stating that the horizons of the future bode well and are promising. He said, "We are optimistic about the future and confident of our people's ability to reach their desired goals."

Emphasizing the importance of the role the directors of the subdistricts play in administrative units in enlightening citizens and guiding them to orient themselves toward things which will bring good upon them and the nation by establishing political enlightenment clubs, he also pointed to the important role the givers of sermons in mosques and the religious guides in the republic's governorates must play in guiding and enlightening the citizens to perform the religious duties of paying obligations, tithes and taxes which will have the effect of bringing the citizens many good benefits and development in the area of education, health, roads and all service projects, asserting that true citizenship consists of give and take and that the building of nations takes place only through the cooperation of all, the citizens' interest and their concern to perform duties and protect public properties. He said, at the conclusion of his talk, "We are all soldiers on this dear nation's behalf and we must always work to strengthen our national unity and consolidate the bridges of affection and familiarity among all the people of the nation. This is every citizen's responsibility."

Also attending the meeting were our brothers 'Abd-al-'Aziz 'Abd-al-Ghani, prime minister and member of the permanent committee, Lt Col Mujahid Abu Shawarib, deputy prime minister for internal affairs and member of the permanent committee, Eng Ahmad Qayid Barakat, minister of economy and industry, and a number of officers of the armed and security forces and members of the media.

11887
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EXPERT DISCUSSES COMPOSITION OF NATION'S AGRICULTURE

Sanaa AL-THAWRAH in Arabic 14 May 1986 p 9

[Article by Muhammad 'Abd-al-Karim al-Harrazi: "Light on Our Third 5-Year Plan, 1987-1991"]

[Excerpt] One must shed light on the agricultural sector, which is one of the most important and vital of sectors and has a direct relationship to every citizen, as the political leadership under the leadership of our brother the president and commander, 'Ali 'Abdallah Salih, secretary general of the general people's conference, always asserts, that is, that the provision of food is now in the forefront of the main demands of the Yemeni citizen. Therefore, the plan for this sector must be set out for a major goal, which is the realization of self-sufficiency in plant and animal products. The following table shows the existing state of crops whose cultivation is dominant in the Yemen Arab Republic, the area and the share, for 1985 [see following page]:

From this table, it can be noted that this includes a number of types of field crops, vegetables, fruit, fodder and cash crops such as qat, coffee and tobacco.

It should be noted that the highest share of the area farmed goes to the corn and millet crop. This is because the Yemeni farmer knows through long experience that these two crops are low-cost and can tolerate drought.

The absence of some important crops has also been noted. These are farmed in our country, if only in limited form. These are the crops of sugar in the form of cane and sugar beets. Our country is without a doubt suited to these, especially in the Governorates of Ibb and Ta'izz. They are important crops and can be processed to produce sugar and cover our needs. It is possible to include sugar in our third 5-year plan. This requires studying and conducting research into the potential related to expansion of the cultivation of these crops and learning their annual productive capacity so that this will constitute preparation for the construction of a sugar refinery in the Governorate of Ibb or the Governorate of Ta'izz.

It has also been observed that the ratio of the area farmed with vegetables is relatively small since our country, God be praised, is suitable, and our

Rank	Type of Crop	Area in Hectares	Percent
1	Corn and millet	690,000	71.7
2	Syrian corn	38,000	3.9
3.	Wheat	58,800	6.1
4.	Barley	46,000	4.8
5.	Legumes	25,000	2.6
6.	Vegetables	19,000	2.0
7.	Potatoes	8,000	0.8
8.	Grapes	14,000	1.5
9.	Dates (number of trees)	1,250,000	
10.	Coffee	16,200	1.7
11.	Other fruit trees	15,500	1.6
12.	Cotton	5,600	0.5
13.	Tobacco	6,100	0.6
14.	Sesame	9,500	1.0
15.	Berseem	11,200	1.2
	Total	962,900	100

circumstances are suitable, for expansion in them so that we will be able to export them to neighboring countries, requiring that they be set forth and listed in our third 5-year plan.

Also, with respect to the grape crop, it is well known that we have numerous types and a high percentage of them contain sugar and are delicious tasting. They are thus distinguished by a special characteristic, and we can compete with grapes produced in other countries. Therefore, expansion in their cultivation is desirable so that we will be able to export them.

It is necessary to expand the cultivation of fodder crops since that will to a large extent help cover our needs for feeding animals and reducing imports.

With respect to the wheat crop, it is observed that the ratio of the area in which this important, vital crop, which it is not possible to dispense with and today has become a strategic commodity, is farmed accounts for a very minor percentage; the production from this area is very low and covers only 12 percent of our needs. We import the rest, which is 88 percent.

The realization of self-sufficiency in this crop in coming years requires pursuit of the following:

Horizontal expansion, by farming and reclaiming new areas.

Vertical expansion, by using modern scientific methods, fertilizer, improved seeds and land service, using agricultural mechanization, using modern irrigation methods and fighting agricultural pests.

It is well known that the consumption of this crop has started to increase, making it very necessary to work to expand its cultivation to cover our needs and reduce imports, if only gradually and over a number of years covered in our coming development plans, so that we may arrive at the attainment of the goal, which is self-sufficiency in this crop in 2000.

In order to reduce consumption, there is a well-known method which is of help. This is to change the consumption pattern by mixing corn flour, at a ratio of 20 percent, with wheat flour and use this mixed flour, which does not lead to a change in the taste or quality of the bread. There is another method to reduce wheat consumption, which is to introduce potatoes and vegetables into our meals.

In order to set out a food strategy for the third 5-year plan years, it is necessary to know the resources available to us and the [illegible] and know the rates of annual population growth and annual per capita consumption. In the light of that, it will be possible to know the quantity it is desired to produce to cover requirements. It is possible to estimate the period of time in which it will be possible to realize the attainment of our lofty goal, which is self-sufficiency in wheat, after the years of the third 5-year plan.

With respect to the barley, potato and perhaps corn crops, it will be possible to realize self-sufficiency at the end of the third 5-year plan, since great confidence, constant earnestness, the strength of determination, our permanent insistence and the good nature of our fertile Yemeni land will guarantee that food is provided and the goal we all aspire to, that is, self-sufficiency, will be reached. It must be realized, especially with continuous support and encouragement for our brother farmers by the political command under the leadership of our brother the president and commander, 'Ali 'Abdallah Salih, the secretary general of the general people's conference.

11887
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YEMEN ARAB REPUBLIC

LATEST DEVELOPMENTS IN OIL PRODUCTION REVIEWED

Sanaa AL-THAWRAH in Arabic 22 May 86 p 15

[Article by 'Abd-al-Halim Sayf]

[Excerpt] The realization of this great achievement was preceded by certain steps. A person who follows the stages of the discovery of oil in our country will find that the first oil well was discovered in the Safir area in the Governorate of Ma'rib by the American Hunt Company in July 1984. On Sunday 8 July of that year the president, commander and secretary general turned the first key to the drilling platform, permitting embarkation on the stage of the third test well. At that time he announced that the well's daily production rate had come to 7,800 barrels, with a gravity of 39.5 degrees, in addition to associated natural gas. After extensive drilling activities involving the area, specifically in the A field, the declaration of oil in commercial quantities in this field was made in September 1985, leading to the adoption of a group of measures embodied in the performance of technical and engineering studies to build an oil export line from the Safir area to the port of al-Salif on the Red Sea over a distance estimated at 400 kilometers. The diameter of the pipe will come to 26 inches. At the same time, field survey activities on construction of the pipeline started last January and ended in March. In this regard, our brother Ahmad al-Mahni, minister of oil, declared at the refinery's inaugural ceremony that it was stipulated that the cornerstone for building the crude oil export line would be laid on the 24th anniversary of the September Revolution and construction work on the project would start the following November, and it was expected that the work would end with the end of 1987, with the possibility that crude oil would be pumped to the Red Sea coast on that date or at the start of 1988. He pointed out that the oil reserves in the A field came to 500 million barrels, that is, an increase of 200 million barrels in the past 6 months. The minister of oil also asserted that drilling activity was still going on in this field, in addition to survey and drilling work in the other fields, and that 29 wells had been drilled in the area so far, all of which offer good promise of the presence of commercial quantities of crude oil.

The new conditions which the production of oil resources will bring to the fore make it incumbent on the government to redouble its efforts to continue development in accordance with the priorities spelled out in the plans and

programs, in the forefront of which is the development of agriculture, the basic pillar of the domestic economy, to which all efforts at comprehensive resurgence are linked. This is what the commander has stressed, as our country is witnessing the start of preparation of the third 5-year plan, which will no doubt work to raise the levels of the quality of production of mineral and oil resources and will guide the use of its revenues in financing development in a manner which will develop agricultural output and existing industries and establish new industries for which the ingredients for success will be provided from local raw materials.

11887
CSO: 4404/352

YEMEN ARAB REPUBLIC

BRIEFS

AGRICULTURAL EQUIPMENT IMPORTS--The Military Economic Organization in our country has ordered construction and agricultural equipment at a total cost of 175,000 pounds from the British Tilden Industries Company. The organization is performing government construction, particularly for the armed forces and in agriculture. The authority will use 60,000 pounds' worth of scaffolds and associated elements in diverse construction projects in various areas of the republic such as warehouses, storehouses and supply rooms. The order submitted to Tilden Industries in Bristol in the southwest of England also includes eight agricultural shelters which consist of steel shells covered with netting providing a shaded area for livestock and plants. Two of them include an area of 12,000 square meters and one of them, which consists of a tunnel 60 meters long, will be used to grow tomatoes. The other five will be used as pens for livestock. The shelters will be used as an experimental farm in which a group of buildings of prefabricated sections ready for installation, which constitute the final portion of the request, will be erected. This is one of a number of orders whose total cost comes to 1 million pounds, which the company has received in the Yemen Arab Republic. [Text] [Sanaa AL-THAWRAH in Arabic 18 May 86 p 9]

CSO: 4404/352

AFGHANISTAN

U.S., SAUDI ARABIA SAID TO INCREASE AID TO REBELS

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 28 Jun-4 Jul 86 p 7

[Text]

US and Saudi Arabian financial assistance to rebel forces is being increased. According to a programme designed to link Saudi contributions with US subventions, Riyadh gave $250 million to the guerrillas in 1985 and is providing a further $275 million this year, US officials say. The Reagan administration has promised to provide matching funds to the rebels; officials say the US in 1985 probably provided well above the $250 million pledged.

Washington and Riyadh's co-operation in aid to the insurgents was shown when Saudi ambassador to the US Prince Bandar Ibn Sultan held a 19 June embassy reception for four leaders of the recently formed Afghan Alliance.

Military analysts say technicians have started training guerrilla forces to operate the Stinger surface-to-air missile systems being provided as part of supposedly secret US military assistance (MEED 5:4:86). "Unless the Afghans get an effective anti-aircraft umbrella, there's not much hope for them," says Lieutenant-Colonel Karen McKay of the Committee for a Free Afghanistan.

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CSO: 4600/398

AFGHANISTAN

PAPER CONDEMNS U.S. AID TO REBELS, NICARAGUA

LD270654 Kabul BAKHTAR in English 0427 GMT 27 Jun 86

[Text] Kabul, Jun 26, BAKHTAR--In the meeting of President Ronald Reagan with a group of right-wing Sandinist counter-revolutionaries, which was carried out two days after the official meeting of the Washington incumbent administration with the ringleaders of Afghan counter-revolutionaries, the equipping of the Somoza band with most modern weapons was discussed, says an article carried by daily HAQIQAT-E ENQELAB-E SAWR.

This is not the first time that Ronald Reagan meets with the ringleaders of the counter-revolutionaries. The White House, since long time ago has been the lauding place of inhuman activities of the professional cutthroats and it has incessantly striven for boosting and strengthening the demoralised enemies of freedom and culture of the people of the world.

The USA makes use of every possibility for organising such satanic activities aimed at interfering in the internal affairs of other progressive countries which are following independent policies.

The article says that the U.S. Administration, in spite of the existing diplomatic relations with these countries organises its hostile provocations against them with wider dimensions. The overt support and assistance of Washington to the professional cutthroats runs counter to the basic principles of international relations and it violates the self-determination rights and independence of sovereign countries.

The Washington administration which under the titles of "Resistance Movement," "Defenders of Islam" and "Strugglers for Freedom" equips terrorist bands with modern weapons, intends to unite the counter-revolutionaries of different countries of the world aimed at obstructing the development of the national liberation movements.

The U.S. Administration formulates extensive plans for finding plausible pretexts aimed at enabling it to directly attack Nicaragua. But with such endeavours it will not be able to frustrate the popular revolutions neither in Afghanistan, nor in Nicaragua and nor in any other country, the article concludes.
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CSO: 4600/390

AFGHANISTAN

AFP CITES 'WESTERN DIPLOMATS' ON MILITARY MOVES

BK241154 Hong Kong AFP in English 1120 GMT 24 Jun 86

[Text] Islamabad, Jun 24 (AFP)--Soviet troops have set up a new base in the southern Ghazni Province where Afghan rebels are reported in "complete control" of a main highway, Western diplomats said here Tuesday. The diplomats said the rebels controlled the main Kabul-Ghazni highway and had shot down two MiG fighters in the region last week.

A Soviet-Afghan column carrying out a sweep operation in the area came under attack two nights ago near Jaghatu, losing six armoured personnel carriers and a communications vehicle, the report said.

On June 15 guerrillas ambushed a Soviet patrol killing ten Russian soldiers and destroying another six vehicles, the diplomats said.

The road between Loggar and Sarobi, closed for several days by rebel mines, was partially reopened on June 19. But the same day a military truck exploded on the highway.

To deal with the trouble, the Soviets have set up a new base in Ghazni, equipping it with a helipad and troop reinforcements to get back control of the road, the diplomats said.

Diplomats said the mujahidin carried out several rocket and mortar attacks in Kabul last week. Guerrillas were also active on the outskirts of the capital, and unconfirmed reports said they shot down an IL-76 transport aircraft carrying two armored vehicles.

Following last Sunday's first government change since Mr. Najibullah took over the party leadership on May 4, the diplomats said more cabinet reshuffles were expected shortly.

The new president sacked Sarwar Mengal, head of the state planning, for alleged opposition to the change in the party leadership, the diplomats said. Mr. Mengal was replaced by Lomar Ahmad Lomar who earlier headed the Light Industries and Foodstuffs Ministry. Changes in the Defense and Interior Ministry portfolios were expected.

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CSO: 4600/390

AFGHANISTAN

RULERS REPORTEDLY REINFORCE ARMY WITH YOUTHS

Tehran TEHRAN TIMES in English 19 Jun 86 p 1

[Text] Afghanistan's Soviet-backed authorities are rounding up youths from the streets to fight in the country's dwindling Army against Moslem rebels, Western diplomats said yesterday.

Youths in the Afghan capital Kabul and the nearby town of Paghman were frequently seen rounded up from the streets over the past few days, the diplomats quoted reports reaching Islamabad from Afghanistan as saying.

Army truckloads of young men in civilian clothes were seen heading towards military barracks, they added.

Kabul Radio announced on Sunday rules aimed at cutting draft dodging by making access to higher education dependent on completion of military service.

The diplomats said Afghan leader Najibullah, a former secret police chief who became Communist Party head on May 4, hoped the rules would help prevent a recurrence of student protests backing former party leader Babrak Karmal.

Tribesmen are also beefing up the Army which, according to diplomatic reports, has shrunk to less than half the 80,000 men it had in the late 1970's before the seven-year-old war against the Moslem guerillas.

Prime Minister Sultan Ali Kishtmand told Army commanders Tuesday night that 18,000 tribesmen were now under arms.

Quoted by Kabul Radio, he said the tribesmen were entrusted with preventing guerilla infiltration of their respective regions.

The diplomats said initial reports reaching Islamabad indicated that the drive to reinforce the Army did not appear to be making much headway but they had no figures to substantiate this.

The new draft rules, they added, were causing panic among parents in Kabul with children coming to the draft age of 18.

Since the introduction of the rules, said to be temporary and to be rescinded when the rebels are defeated, Kabul Radio has reported that hundreds have flocked to army units for the 'the sacred duty of defending the motherland.'.

The diplomats said the government has also been calling on university students to abandon their studies and join the military and on girls to volunteer for service as nurses.

Authorities have also lashed out at draft dodgers, urging young women not to marry them, they added.

Afghan exiles say many middle class and upper class city dwellers resort to family connections, political ties or bribes to evade military service.

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CSO: 4600/392

AFGHANISTAN

BRIEFS

MINISTER'S NEW APPOINTMENT--Former light industries and foodstuffs minister Mohammad Aziz has been appointed deputy prime minister and chairman of the state planning committee, Kabul Radio reported on 22 June. The broadcast gave no reason for the reshuffle and did not mention Sarwar Mangal, whom Aziz replaces in both posts. Lemar Ahmed takes over at the Light Industries and Foodstuffs Ministry. [Text] [London MEED/THE MIDDLE EAST's BUSINESS WEEKLY in English 28 Jun 4-Jul 86 p 7] /9317

CSO: 4600/398

KAUL CALLS FOR INITIATIVE TO SOLVE AFGHAN PROBLEM

New Delhi PATRIOT in English 18 Jun 86 p 5

[Text]

Srinagar, June 17 (UNI)—India's ambassador designate to the Soviet Union, T N Kaul, has called for India's strong initiative in resolving the Afghanistan problem by arranging a round-table conference between Pakistan and Afghanistan.

While delivering a lecture on "India and the great powers", organised by Kashmir University here yesterday Mr Kaul said India should take an initintive like the Soviet Union had taken by bringing India and Pakistan on a common platform resulting in the historic Tashkent agreement.

Mr Kaul said as long as Pakistan continued to aid Afghan insurgents at the behest of the United States, Moscow would find it difficult to move out from Afghanistan.

Referring to Sri Lanka's ethnic crisis, Mr Kaul said if the situation there took a dangerous turn, India could not remain a passive spectator with its security and vital interests threatened.

He said the Sri Lankan problem would have been resolved long ago had there been no foreign intervention which had resulted in strengthening of intelligence network by Israel and military assistance by Pakistan and Britain.

About Indo-Soviet relations Mr Kaul said it was time-tested and in spite of different ideologies, the relationship between the two nations could further improve for world peace and economic development of the Third World.

He said the world in a state of flux and could no longer be dominated by a single superpower, and to assure global economic prosperity, a non-aligned India had a vital role to play.

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CSO: 4600/1857

JAMMU, KASHMIR POLICE BUST PAKISTAN SPY NETWORK

Calcutta THE TELEGRAPH in English 17 Jun 86 p 4

[Text] Jammu, June 16 (PTI): With the arrest of five persons allegedly involved in transborder smuggling in Rajouri district during last week, the state police claims to have busted a Pakistani espionage network in the area.

According to official reports reaching here three persons were arrested early last week. Two members of the gang, stated to be kingpins of the espionage network operating from the border district of Rajouri, were taken into custody on Saturday.

The reports said the accused, who have been identified as Mohammed Nazir and Mohammed Ayub, resident of Panjgrain and Manjakot villages of Rajouri, were nabbed by a special team of the police and CID officials during an ambush near the line of acutal control. They were attempting to cross into India from Pakistan along with some smuggled goods and arms and ammunition.

Reports said the arrests were made following clues provided by the three alleged spies. The two arrested persons were members of a Pakistani espionage network operating in the two border districts of Poonch and Rajouri in the Jammu region. They have been operating from that area for the last few years.

During preliminary interrogation, the two confessed that they belonged to a Pakistani espionage gang and transborder smugglers and were closely associated with the geographical section of the Pakistani military intelligence agency, Field Intelligence Unit (FIU). They also admitted that before infiltrating into India, they had been assigned a "definite task of subversion and sabotage" by that agency.

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CSO: 4600/1850

INDIA

FOOD GRAIN TARGET NOT ACHIEVED FOR 1985-86

Bombay THE TIMES OF INDIA in English 17 Jun 86 p 13

[Text] NEW DELHI, June 16 (PTI): India has failed to achieve the targetted foodgrains production of 159 million tonnes in 1985-86 falling short by about 10 million tonnes due to widespread drought conditions in several states, official figures have shown.

Though the actual total production during the year is officially estimated at around 146 to 148 million tonnes, the country pulled off an all-time record of 62 million tonnes of rice and 47 million tonnes of wheat. The target of 159.2 million tonnes was 13 million tonnes more than the actual production of 146.2 million tonnes in 1984-85.

That the country had been able to achieve a record performance in rice and wheat despite a severe drought, has been explained by the fact that both the cereals are taken mainly on the assured irrigated areas, which constituted 30 per cent of its total cropped area.

Besides, coverage of area under high-yielding varieties of rice, wheat, jowar, bajra and maize was expanded by 3.4 million hectares. Also, over 17 lakh mini-kits of new seed varieties in rice, wheat, millets, etc., had been made available to the states for free distribution among small and poor farmers.

In addition, 200 quintals of seeds in rust-resistant varieties of wheat had been supplied for free distribution to farmers to replace the rust-susceptible varieties in northern and southern hill areas, according to official sources in the agriculture ministry.

Among those who were distributing free mini-kits were co-operative sector and public sector fertilizer factories in the country, who ploughed back a part of their profits through free mini-kits to poor and small farmers. Improved seeds, more consumption of fertilisers, and plant protection measures also helped save the production of rice, wheat, and other crops during the year.

Production figures for the year were estimated at 62 million tonnes of rice against the targetted 63.5 million tonnes, 47 million tonnes of wheat against 49.2 million tonnes, 27 million tonnes of maize and millets against 33 million tonnes, and 12.5 million tonnes of pulses against 13.5 million tonnes.

However, as a result of bad weather, productivity and production of coarse cereals and oilseeds during the last kharif season were adversely affected.

Significantly losses occurred in the case of groundnut in Andhra Pradesh and Gujarat, the latter losing about 10 lakh tonnes of groundnut out of a targetted production of 14 lakhs tonnes, bajra in Rajasthan and Gujarat, maize in Rajasthan and Madhya Pradesh and rabi in Karnataka.

In oilseeds production, which is not included in the foodgrains production total, the country is estimated to have produced about 116 lakh tonnes during the year as against a target of 136 lakh tonnes.

During the previous year, the country had achieved a record production of 131 lakh tonnes as against the targetted level of 130 lakh tonnes.

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CSO: 4600/1849

KEYHAN COMMENTS ON U.S. 'SECRET MOVEMENT' AGAINST IRAN

LD232314 Tehran Domestic Service in Persian 2050 GMT 23 Jun 86

[From the "Press Review" program]

[Excerpts] Today's edition of the daily KEYHAN has an article entitled "The Secret Movement of Imperialism and the Need for Vigilance of the Revolution Forces," to which we draw your attention: After the glorious "Val-Fajr 8" operations and the amazing victory of our brave warriors inside Iraqi territory, giving superior military and political status to the Islamic and revolutionary Iran, we have witnessed a fresh wave of America's policies in the region which demonstrates their ever-increasing fear of the possibility of Iran's victory in the war.

The U.S. secret movement against Iran has been observed in the falling oil prices and its direct effect on Iran's budget and foreign currency reserves; intensification of the Iraqi air raids on our oil and industrial installations with the objective of cutting off the oil export; the new war strategy aimed at dragging the war inside the Iranian territory--albeit such strategies are doomed to failure because of the Iraqi manpower shortage and their morale--the Jordanian Shah Husayn's activities to disrupt Iran-Syria relations and the increasing political pressure on Iran. Some political experts, in their analyses, have concluded that the United States has sweet dreams about Iran's fate before the end of the current Christian year.

The United States is awaiting for the outcome of its actions and policies inside Iran, no doubt, the falling oil prices will create new bottlenecks for the revolutionary government with regards to meeting the war's necessary budget, commodity imports, provision of essential consumer goods, employment, production and fight against inevitable confrontations. Although the prime minister has announced that the foreign currency requirements of the war will remain unchanged, the Western experts and capitalists, who view the affairs solely from an economic angle, believe that shortages would create dissatisfaction among the people and the Iranian rulers would have to surrender in the war issue so as to solve the people's problems and remain in power. It is this outlook that persuades the United States to organize its hirelings in the region for a new round of diplomacy in order to harness the tumultuous

waves of the Islamic revolution. The hirelings are encouraged to give unstinting support to Iraq so as to tighten the [word indistinct] around the revolution and Islam, to soften Iran's position and pave the grounds for its absorption in the international capitalist system.

Amid such a crisis, some individuals inside the country, knowingly and with ill-intentions, through their wrong analyses, imagine that a deteriorating economic situation and government's bottleneck would create a suitable ground for them to promote their views, policies and ideas; something that we have often witnessed in the course of the war. Those individuals and forces who, with ill-intentions, try to inflict further blows on the government under this adverse circumstances by such deeds as hoarding of essential commodities, creation of artificial shortage and price rises, have openly joined the ranks of global arrogance and the counterrevolution against the Islamic revolution. There are also some gullible individuals and uninformed strata who have not understood the principles and aspirations of the Islamic revolution, for which the Hezbollahi ummah are sacrificing their lives and belongings, and imagine that such aspirations could be forgotten.

The prime minister, in his remarks, somehow explained the affairs and addressed the informed and uninformed strata. At this juncture, more active involvement of the revolutionary youths, among the clergy and university students who have been the engine of the revolution in the war and the country's political and economic arenas, and their vigilance towards diplomatic movements launched amidst hue and cry, can foil the counterrevolutionary efforts and increase the government's and revolution's ability to continue the imposed war victoriously and defeat conspiracies of the foes and global arrogance.

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CSO: 4640/386

IRAN

NABAVI SPEAKS ON TRADE REDUCTION WITH TURKEY

Tehran KEYHAN in Persian 16 June 86 p 18

[Text] Economic Service—The details of talks between Iranian and Turkish industrial-economic delegations were announced by Engineer Behzad Nabavi, Minister of Heavy Industries.

According to this report the Minister of Heavy Industries left for Turkey yesterday afternoon at the head of an industrial-economic delegation.

On this trip, which will take four days, he will also deliver a written message from Prime Minister Engineer Musavi to Turgut Özal, Prime Minister of Turkey.

During a talk with correspondents at the airport, Engineer Behzad Nabavi said: The talks between the two countries will be based on the export of oil and non-petroleum products, as well as the purchase of raw materials and goods needed by our country.

He said: Since the signing of the last note of mutual understanding between the two countries in Bahman 1364 [21 Jan – 19 Feb 1985] there have been changes in the international situation and in oil prices which have made this trip necessary. Its purpose is to revise that same note of mutual understanding, and in it the new economic conditions must be studied.

Therefore, with the drop in oil prices, we must either reduce the volume of trade or find new methods. In this trip efforts will be made to preserve the balance of trade between the two countries and to keep the volume of trade from dropping excessively.

While we are not likely to continue making the same purchases as in the past with the new economic conditions and our current pattern of consumption, and we will study the question of trading goods for goods instead of oil for goods in our talks with Turkish officials, efforts have been made to make most of the members of the Iranian trade delegation to Turkey exporters.

The Minister of Heavy Industries also noted: This trip has special importance from the point of view of both sides, and naturally a new phase in relations between the two countries will begin after these talks. In addition to the sale of oil, we will propose the export of 300 million dollars in non-petroleum goods to Turkey which will consist mainly of caviar, dates, pistachios, hides, mining products, iron foundry products, passenger automobiles, mini-busses, and various kinds of trucks. From Turkey we will buy goods such as wheat, barley, sugar, industrial metals, factory raw materials, and agricultural machinery parts and tools.

9310
CSO: 4640/381

COMMERCIAL, ECONOMIC ACTIVITIES, PROJECTS REPORTED

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 7-13 Jun 86 pp 10-11

[Text]

New Karun dam proposed

Canada's ***Acres International*** is studying the feasibility of building a $1,000 million hydroelectric dam on the Karun river, north of Ahwaz. A report is due to be presented soon, but even if the government gives the go-ahead, construction may have to await the end of the Gulf war.

The dam would produce about 800 MW. Described as a "run of river" structure, it would not impound water for irrigation. Construction would take five or six years.

The site lies downstream from the Karun 1 dam, also known as Shahid Abbaspour dam. It was completed just before the 1979 revolution as the Reza Shah Kabir dam. Acres has for some time been drawing up designs for Karun 2 and 3, upstream of Karun 1 (MEED 20.7.84). Each would cost more than $500 million and produce about 800 MW. Construction was expected to start in mid-1986, but has now been postponed until the 1990s or beyond. One reason may be that the two sites are difficult of access — unlike the new downstream site proposed by Acres.

Japan buys more oil

Japan has increased its imports of Iranian crude oil to about 200,000 barrels a day (b/d), according to industry observers. Most is bought at netback prices, according to contract, or on the spot market.

Companies that have recently renewed contracts include ***Cosmo Oil***, ***Showa Shell Oil*** and ***Idemitsu Kosan Company***. Two others — ***Mitsui & Company*** and ***Marubeni Corporation*** — are still negotiating agreements; in recent years, the latter has been responsible for up to one-quarter of Japan's exports to Iran.

The 200,000 b/d supplied to Japan in June represents a doubling of the May figure. However, it is less than half the volume supplied in the peak year of 1983.

Total oil exports in late May reached more than 1.8 million b/d, about 200,000 b/d above Iran's OPEC-set quota, industry observers say. The ***National Iranian Oil Company (NIOC)*** appears to have exceeded the quota for most of the Iranian year started 21 March.

Liftings remain high despite the increasing toll taken by Iraqi air attacks on tankers shuttling between the main Kharg island terminal and the safer, floating terminals at Sirri island. The latest casualty — on 31 May — was the 319,226-ton Hellespont Enterprise, the Liberian-registered vessel was hit in the engine room and set ablaze, but the crew was rescued by an Iranian tug.

IN BRIEF

● A French government team arrived in Tehran on 2 June to negotiate terms for repaying a $1,000 million loan. The negotiations were scheduled to last until 6 June. The visit follows talks in Paris by Deputy Prime Minister Alireza Moayeri (MEED 31.5.86). There are unconfirmed reports that, as part of its concessions to Iran, France has tightened restrictions on exiled opponents of the Iranian government; it may also have stopped the main Mojahedin-e Khalq leftist Islamic guerrilla organisation from publishing its weekly Mojahed.

● Production of dried tea leaves will rise by 15 per cent in 1986/87, to 50,000 tonnes, the Tea Production Organisation forecasts. Annual domestic demand totals 80,000 tonnes.

● Exports of several categories of non-oil goods have increased since the beginning of 1986, according to official reports. More than 27,000 tons of watermelons, valued at $16 million, have

been sent to the UAE since March. About 57,000 tons of zinc and 12,000 tons of lead, worth $10 million, are to be supplied to Romania and Brazil. Officials in Mazandaran province, in the north, say hand-made blankets will be exported to West Germany for the first time this year.

● The Gulf port of Bushehr handled more than 2 million tons of goods in the Iranian year ended 20 March. Almost all were imports — mainly steel, wheat, barley, soya, corn, sugar, tea, rice and fertilisers.

● Three date packing factories, with a combined annual production capacity of 7,200 tonnes, were ordered from West Germany in 1985, says the export-import committee of the Bushehr governor-general's office. The factories' production will be exported.

● East Germany has invited Prime Minister Hossain Mousavi to visit. The invitation was made in early June by ambassador Guenther Fritsch, at a meeting with Deputy Prime Minister Alireza Moaveri. In a meeting with Industries Minister Mohammad Reza Ayatollahi, Fritsch said East Germany wants to buy concentrated minerals, including lead, zinc, copper and chrome. The possibility of East German supplies of spare parts for steel works was also discussed.

● Officials from Mazandaran province, in the north, have asked the Roads & Transport Ministry to provide a cargo aircraft to enable them to export agricultural products direct from Dasht-Naz airport, near Sari. The exports would include honey, cucumbers, lettuce, marjoram, pomegranate sauce, tomatoes, marrows, pumpkins, strawberries and plums.

● Students of Shahrud technical school in Semnan have designed and built a six-kilometre-range rocket for use in multiple rocket launchers, the official Islamic Republic News Agency (IRNA) says. The rocket, produced and tested in co-operation with the Islamic Revolutionary Guards Corps (IRGC), can be mass-produced cheaply, officials say. The school has already built an automatic multiple rocket launcher capable of firing 36 missiles a minute, IRNA adds.

● Seventeen diplomatic missions have been set up since the 1979 revolution, 12 in Africa, the Foreign Affairs Ministry says.

● The Foreign Affairs Ministry has condemned the recent clashes in Lebanon between Shia Amal militias and Palestinians. It describes the fighting as "a plot hatched by the enemies of Islam."

● Nasser Heirani-Nobari has been named ambassador to the Soviet Union. He was previously director of the second political department at the Foreign Affairs Ministry.

● Several Prime Ministry staff detained on suspicion of complicity in a 1981 explosion that killed the then president and the prime minister have been set free. They were released because of lack of evidence, the public prospector's office said in late May (MEED 24.5.86).

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CSO: 4600/384

PRIVATE SECTOR 'ENCOURAGED'; TIES WITH OTHER STATES REPORTED

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14-20 Jun 86 pp 19-20

[Text] Imam Khomeini has given the private sector another boost by calling on the government not to stifle initiative. Speaking on 9 June, after a prolonged seclusion, Khomeini made it clear that he opposes radical efforts to centralise the economy.

"The government...should give a role to the people in all affairs, give them a role in trade," he told government officials at an audience in Jamaran village, just north of Tehran.

This is not the first time Khomeini has spoken in favour of private enterprise,but his statement comes at another important stage in the post-revolution debate about the government's role in the economy. The authorities have so far favoured the public sector, but conservative clergy and business people want a "pure" Islamic economy, in which the government would act only as overseer.

Bazaar merchants have since 1984 been allowed greater latitude; this has been especially true in recent months, as the authorities have tried to increase non-pol exports. However, the economy--and foreign trade, in particular--is still dominated by the government.

The economy has been stretched since the start of 1986; foreign trade is down because of falling oil revenues. The government has set a targer of $10,000 million for foreign exchange receipts in the year started 21 March, Oil Minister Gholamreza Aqazadeh revealed in early June. The budget, approved earlier in the year, projected oil revenues at $18,500 million.

Aqazadeh said defence spending has priority, and that other sectors of the economy face cutbacks.

● Denmark's ***Hojgaard & Schultz,*** in partnership with the local ***Kashan Construction Company,*** is low bidder for a scheme to renovate and extend the jetty and other installations at Khor Pouder port, near Bushehr. It offered about $18 million.

● The government places great emphasis on gas exports and hopes talks will "reach a new and effective stage in the coming year," Oil Minister Gholamreza Aqazadeh says. He is believed to be referring to talks with the Soviet Union that resumed in 1986. Gas supplies to the Soviet Union through the IGAT 1 line stopped after the February 1979 revolution.

● Telex and telephone lines with the rest of the world have been seriously disrupted, following

an 8 June Iraqi air attack on the Assadabad satellite ground station near Hamadan. All lines were cut for the first 48 hours, a limited service was then available. Officials say one of the station's antennas was damaged and may take some time to repair. The twin-dish complex at Assadabad is built on an exposed plateau in the Zagros mountains; there is a big air force base nearby.

● India expects to reach agreement soon on the supply of 120,000 tonnes of wheat. It will be exchanged for sulphur for the ***Minerals Metals Trading Corporation of India (MMTC).***

● ***Islamic Republic of Iran Shipping Lines*** says it has assigned several vessels sailing out of Bandar Abbas to carry exports to Gulf states, the Far East and Europe.

● Western diplomats in Beijing say China is supplying Iran with large quantities of weapons, including aircraft, tanks, artillery and anti-aircraft missiles. They could be valued at more than $1,000 million. Reports of Chinese weapons supplies surfaced in 1983, but there has been no evidence yet that China is violating its self-proclaimed neutrality in the Gulf war. Coinciding with the latest reports, the Foreign Affairs Ministry in Tehran has published a study on relations with China from 1950-79, criticising Beijing's strong support for the Shah until the collapse of his regime.

● Yugoslavia's ***Professional Electronics*** has an order to supply 3,000 teleprinters to an unidentified local organisation.

● Two chartered oil tankers on the Kharg to Sirri shuttle were hit by Iraqi aircraft in the second week of June. The 103,163-ton Evergy Mount, was hit south of Kharg island on 8 June while in ballast; reports of a second missile strike could not be confirmed. Two days later, the 155,887-ton Medusa – another Liberian-registered vessel – was attacked in the same area; it was carrying $30 million worth of crude, and was set ablaze. The latest Iraqi attacks raise to more than 40 the number of merchant ships, mostly tankers, hit so far in 1986 – about the same number as were damaged in the whole of 1985.

● A four-day international seminar on Islamic banking opened in Tehran on 11 June. It was attended by specialists from 15 countries and the IMF.

● The Rome-based UN Food & Agriculture Organisation (FAO) is soon to open an office in Iran, says deputy foreign affairs minister Mohammad Jaafar Mahallati. He met FAO head Edouard Saouma in Rome on 11 June. Iran wants full co-operation with the FAO, Mahallati told Saouma – the more the organisation becomes independent of the superpowers, the more use Iran will make of its expertise.

● Ayatollah Hossain Ali Montazeri, Imam Khomeini's chosen successor, has ordered the release of all political prisoners who have repented and no longer pose a danger to the state. Prisons organisation chief Hojatoleslam M Ansari says Montazeri's order was issued on Khomeini's behalf. A four-member team appointed by Khomeini to investigate prisoners' eligibility for pardon has reduced the number of political prisoners by half since early 1985, Ansari said without giving numbers. On 4 June one group of 163 prisoners was released from the Qezel-Hessar jail, near Tehran, to mark the abortive 5 June 1963 religious uprising against the Shah.

● The Presidential Powers Act is being redrafted by the majlis following objections from the 12-member Council of Constitutional Guardians. The council says the act imposes too many restrictions on the president and is unconstitutional (MEED 26.4.86).

● Prime Minister Hossain Moussavi has obtained an Islamic Guidance Ministry permit to publish a newspaper, reports the Toronto-based fortnightly Crescent International. Moussavi, who ran the Tehran daily Islamic Republic for two years after the revolution, may start a new daily after he leaves office.

● Correction. France's ***Campenon Bernard*** – the leader of an Iranian-French consortium that built the Karun 1 dam in 1978 – did not support Iranian counter-claims during recent hearings of the special US-Iran tribunal in The Hague of a claim by the US ***Harza Engineering Company*** (MEED 31.5.86). The tribunal awarded Harza $14.1 million for unpaid design work on the dam. Iran claimed Harza, as consultant, had failed to design the spillway correctly, causing extensive cavitation damage. Harza accused the builders of poor construction. Campenon Bernard says it did not "intervene" in the hearings, but wishes to state that the damage was due to lack of aeration devices in the lower part of the three channels where the water velocity reaches 50 metres a second.

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CSO: 4600/380

RAJAVI'S MOVE TO IRAQ, TIES WITH BAGHDAD EXAMINED

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 14-20 Jun 86 p 20

[Article by Vahe Petrossian]

[Text]

THE Mojaheddin-e Khalq, Iran's main opposition group abroad, has just fallen victim to French foreign policy. Under great pressure from France, Mojaheddin leader Massoud Rajavi and 1,000 of his followers left their Auvers-sur-Oise headquarters on 7 June. They went to Baghdad, where they were given the red carpet treatment – but where they face, at best, an uncertain fate.

The Mojaheddin guerrillas' departure – which followed a police raid on their headquarters, near Paris – comes after nearly five years of exile in France. It was one of three conditions set by Tehran for improvement of relations with Paris. The other two are repayment of a $1,000 million loan made by the late Shah's regime, and a reduction in French military support for Iraq. There is optimism that the loan issue will be settled soon, but Prime Minister Jacques Chirac has warned that France's links with Iraq are not up for negotiation.

The French government, in turn, hopes Iran will exercise its influence with pro-Iranian groups in Lebanon to gain the release of nine French hostages. Iranian officials say they will try their best, but their influence with the Lebanese kidnappers is limited.

Influential majlis Speaker Hashemi Rafsanjani has also cautioned against expecting a dramatic improvement in relations with France. He describes the recent developments as "only a beginning."

Iranian officials, like the media, have played down the departure of the Mojaheddin – but there is no doubt that they are pleased to see the guerrilla group associate itself so closely with Iraq.

There is speculation in Baghdad that the Mojaheddin will be allowed to set up bases on captured territory, such as the town of Mehran. However, only Iraqi Kurdistan, where hundreds of Mojaheddin guerrillas are already established, would seem to provide a realistic operational base for the new arrivals.

The Mojaheddin describe their move to Iraq as the final step for the passage on to the [illegible] of the homeland." Observers more [illegible] call it "the kiss of death."

The guerrilla group never recovered from its early-1983 decision to start open dealings with Iraq. Since June 1981, when it challenged Imam Khomeini, it has lost thousands of supporters – either in street fights or to execution squads.

What little credibility it had left disappeared with Rajavi's decision to associate the group with Iraq. Former president Bani-Sadr, who escaped from Iran with Rajavi in July 1991, left the alliance in protest. After Rajavi's departure from France, he commented that his former ally was paying the price for his dependence on foreigners. As for Rajavi's presence in Iraq, this was suicidal, he said.

The Mojaheddin are trying to put the best possible face on their decampment from France – even to the point of insisting they were not forced out, but went to Iraq as part of a long-term strategy in the struggle against Khomeini. This reasoning, including their refusal to see the Iraqi connection as a disadvantage, is bound to provide their opponents with further ammunition in a campaign of ridicule.

The group has in recent years created a cult of personality around Rajavi and – since his early-1985 marriage to a colleague's wife – his wife Maryam (MEED 5:4:85). It heralded the marriage as an ideological revolution. This, and other curious behaviour, has made the Mojaheddin the laughing-stock of the French press – and no doubt contributed to the French government's disenchantment with the group.

Rajavi may now be free of the French, but he has placed himself in a potentially far more difficult – and dangerous – position. If Iraq does well in the war, the Mojaheddin will no doubt be duly rewarded. If Iraq comes under more pressure, Rajavi and his colleagues may well find themselves the victims of yet another change of foreign policy. But this time they may not be allowed to choose their destination.

TIES WITH FRG, TURKEY REPORTED; OTHER ECONOMIC ACTIVITIES

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 28 Jun-4 Jul 86
pp 10-12

[Text]

A new trade agreement has been signed with Turkey providing for $2,200 million worth of exchanges for 1986. The amount is about 25 per cent less than planned before the February oil price collapse, and incorporates a higher proportion of non-oil goods.

The barter arrangement was finalised in Ankara, after one week of discussions between visiting Heavy Industries Minister Behzad Nabavi and Turkey's Minister of State for Economic Affairs Mustafa Tinaz Titiz (MEED 21:6:86).

The two sides also agreed to call tenders by September for a research and marketing study on proposals to pipe Iranian oil and gas to Turkey. The lines — which would eventually run to Europe — are considered long-term projects.

The agreement calls for Iran's $1,100 million in exports to be divided into $500 million worth of non-oil goods and $600 million worth of oil, the official Islamic Republic News Agency (IRNA) reports. Imports from Turkey will include $250 million worth of wheat, barley and chemical fertilisers, and $200 million worth of steel.

Iran's non-oil supplies include $350 million worth of industrial goods, $80 million worth of agricultural produce and $70 million worth of minerals. Iran is anxious to find new markets for its non-oil goods, and Turkey may package Iranian farm produce for re-export to third countries. Iran is also interested in using Turkey to export industrial products to third countries.

● France owes $2,000 million in principal and interest on a $1,000 million loan made by the late Shah in 1975, deputy prime minister Alireza Moayeri is quoted as saying. Moayeri recently led a team to Paris to discuss the money's return, among other issues (MEED 14:6:86). The $2,000 million figure is the highest yet mentioned. In a separate development, Foreign Affairs Minister Ali Akbar Velayati has received a message of appreciation from his French counterpart, Jean-Bernard Raimond, following the release of two French hostages held by Muslim radicals in Lebanon (see Syria). Seven French citizens are still being held; France hopes Iranian and Syrian influence in Lebanon can gain their release.

● Crude oil exports averaged 1.9 million barrels a day (b/d) in the second week of June, industry analysts say. Output was 2.6 million b/d. The exports were 700,000 b/d greater than in the first week of June and 400,000 b/d greater than the May average. Among those buying more crude are two Japanese companies — ***Showa Shell Sekiyu*** and ***Cosmo Oil Company*** — which are nearly doubling liftings between June and August. Showa is taking 60,000 b/d and Cosmo 30,000 b/d.

● Pakistan's ***RCD Ball Bearings Company*** — in which Iran has a 10 per cent stake — made a net loss of $295 million in 1985. This compares with a profit of nearly $11 million in 1984. The company blames the losses on competition from cheaper Japanese-made ball bearings.

● Direct government purchases of surplus wheat from farmers will exceed 2.5 million tonnes in 1986, says Agriculture Minister Abbas Ali Zali. The government bought 1.25 million tonnes, at subsidised prices, in 1984 and 1.8 million tonnes in 1985.

● A $500 million allocation to the army and the Islamic Revolution Guards Corps (IRGC) was approved by the cabinet in mid-June. Also approved were: $12.5 million for anti-drought measures; $87.5 million for student research programmes; $37.5 million for unexpected expenses incurred by provincial development plans, and $62,000 for a new theological school in Khorassan province.

● More than $2 million worth of goods and equipment is to be given to Zimbabwe, to help it to host the non-aligned movement summit in August. The goods include 10 luxury coaches, 10 mini-buses, 107 hand-made Persian carpets and a similar number of refrigerators.

● Kish island, in the central Gulf, is being developed to improve its economic prospects, according to Energy Minister Mohammad Taqi Banki and Roads & Transport Minister Mohammad Saeedi Kya. Both men visited the island in mid-June, to inspect construction work. Kish was developed in the 1970s as a luxury resort for Gulf Arab holidaymakers.

● The Customs Office is to computerise its administration within three years, an official says.

● A $31 million dairy near Hamadan, in the west, started test production in mid-June. Daily capacity is 100 tonnes of milk.

● Industries Minister Gholamreza Shafei led a trade team to East Germany in mid-June. The two sides discussed ways of expanding industrial and agricultural trade.

● Foreign Affairs Minister Ali Akbar Velayati visited Cuba and Nicaragua in late June.

● A Mojaheddin-e Khalq guerrilla base in north Iraq was attacked by Iranian aircraft on 14 June, the state radio says. About 200 "enemy agents" are reported to have been killed, and the base and a bomb factory destroyed. The Mojaheddin — whose leader, Massoud Rajavi, moved his headquarters from Paris to Baghdad in early June — deny that the base was destroyed; in a statement from Paris, they add that only 10 Mojaheddin were injured in the attack, two of them seriously (MEED 21:6.86).

● Three members of the 12-member Council of Constitutional Guardians have been reappointed by Imam Khomeini for a further six years. They are Lotfollah Saafi and Abolqassem Khazali — both of whom are conservative clergymen — and Ahmad Jannati. Khazali is involved in publishing the new right-wing Tehran daily Ressalat and Saafi is the son-in-law of the conservative Grand Ayatollah Golpayegani. The council vets all legislation; six of its members are appointed by Khomeini and the rest through the majlis.

● The US Army Intelligence & Threat Analysis Centre (ITAC) is inviting bids for a planning estimate on Iran in the next 10 years. The successful bidder is required to analyse and forecast economic, social, political and military trends, and explain how these will affect stability in Iran. Also required is an examination of Iran's domestic and foreign policies. The contract runs for one year. An ITAC official says the centre's invitation for such a report appears to be the first in memory. Bidders should contact Richard Kall, Defence Supply Service, Room 1D-245, The Pentagon, Washington DC 20310-5520. Tender number is MDA903-86-R-0205.

● Correction: the design and engineering contract for a linear alkyl benzene (LAB) complex at Isfahan, awarded recently by the Industries Ministry, went to a joint venture between Italy's ***Snamprogetti*** and the local ***Sazeh Consulting Engineers*** (MEED 24:5.86).

/9317
CSO: 4600/397

REZA'I DETAILS LATEST ON MOBILIZATION OF FORCES, ENDING WAR

Tehran KEYHAN in Persian 15 June 86 p 18

[Text] KEYHAN Social Service—The effects of the Jerusalem Reserve Army Review on the course of the war, the current policy of the Islamic republic on ending the war, the allocation of the resources of the country's production factories to the war, the production of war implements and ammunition in the nation's factories, the impotence and losses of the enemy in the victorious Faw operations, and finally the current state of the fronts in the imposed war, were discussed by Mohsen Reza'i, Commander of the revolutionary guards, in an exclusive interview with KEYHAN.

[Question] Today 37 of the Jerusalem Reserve Armies of the Municipality of Karaj and its affiliated bases passed in review for a show of power. In your view, what effect will this spectacular parade have on the morale of the combatants of Islam?

[Answer] The maneuver which took place today (yesterday) was part of the consolidation and organization of our combat forces through the municipality of Karaj. The maneuver of 37 armies from the Jerusalem Reserve Armies of this municipality shows first of all the presence of the nations of partisans of God on the scene, and this presence of the people on the scene will definitely disappoint the counterrevolution and the enemies of Islam. Likewise, it shows those in the trenches at the fronts of the war of the Truth against the Vain what kind of backing they have. Among the other aims of this maneuver was familiarizing the combatants with the new plans which exist this year in connection with the war. Therefore the mobilization forces, in gathering for functions such as this, in addition to gaining the necessary preparedness, will have extraordinary cohesion and organization. In our country, unlike in other countries, the people, who comprise the the body of the 20-million-man army, do not live on bases. It is therefore necessary from time to time to bring these people together in various ways (maneuvers, parades, gatherings at mosques and combat bases, and at weekly and monthly camps) in order to maintain their cohesion and organization while making them aware of war issues.

[Question] Iraq's imposed war against Iran has gone through various stages. At the present time what is the strategy and policy of the Islamic republic concerning the war?

[Answer] So far our war has been a defensive one. In our resistance in this imposed war we have tried to persuade the world to condemn and punish the aggressor. However, when we saw that this approach had no effect, defense demanded that we punish the aggressor himself. For example in the first year of the war the powerful forces of Islam blocked the Ba'thist aggressors and allowed them to penetrate no further into our country's soil. In the second year the forces of Islam, with seven to eight months experience as an entity, launched an extensive offensive against the enemy during which they liberated a vast part of the soil of our Islamic homeland, taking

about 40,000 of the enemy's forces prisoner and liberating Khorramshahr, Abadan, Ahvaz, and Dezful. With the liberation of these cities and the increase in the combat capability of the brave forces of Islam, the enemy fled the occupied areas of Qasr-e Shirin and Mehran, evacuating these areas of their military forces. At this point, since we had reached our own borders, we thought that the world would come to its senses, submit to the truth, and condemn and punish Saddam, the criminal of the century so that the people of Iraq themselves would choose a government of their own choice. This did not happen, and moreover the Ba'thists began bombing and striking the cities of Iran with rockets. From then on we again undertook a war of resistance and declared to the world that in order to end the war it must stop supporting Saddam and leave the Muslims of Iraq free to determine their own fate. This advice had no effect on the ears of the world, so that now the war has reached this point. Today we have come to the conclusion that the martyr-nurturing nation of Iran must begin a new phase of the war. Today we are on the threshold of a new phase and we are preparing, as we did in the second year of the war, to advance the war by dealing effective blows against the enemy. Therefore today our people have entered the fourth stage of the war, and in this stage the aggressor will be punished.

[Question] You announced that the resources of the production factories and the institutes throughout the country will be implemented to build war implements and ammunition in order to end the war. Is there a way to build weapons in such factories? Please discuss this question.

[Answer] The weapons we need for the war are mostly weapons which do not require complex technology. In order to support our infantry we need weapons which can easily be built within the country, so that some of these war implements and munitions can be made in small private sector factories. In this connection, and in order to inform the country's dear industrialists, an exhibition has been planned to display the items needed for the war so that industrialists, by attending this exhibition, can take steps to supply this part of the country's needs. It should not be left unsaid that the manufacture of war implements began in this country three years ago and now some of the needs at the war fronts are being met.

[Question] Some war implements and munitions are currently being supplied by domestic factories. Discuss the extent to which the weapons manufacturers have grown since prior to the start of the imposed war, and what steps officials have taken to expand such factories.

[Answer] The production of weapons such as mortars, medium-range artillery and the like began several years ago. Before that these weapons were purchased abroad in mass quantities and brought to Iran. Today however, through the grace of God, our munitions plants have entered a new stage and are producing weapons that were previously not possible. Concerning the production of war munitions, I must note that the production of this sector of the needs at the front has now reached a level several times higher than before and will increase several times over again under the new program. At the same time changes have been made in the manufacture of these munitions by Iranian specialists, which, if implemented, will assuredly make some basic changes in the course of the war. Furthermore, with increases in the production of weapons and munitions, in the future we will be able to begin exporting such weapons and munitions with earnings at the level of that for oil or higher. Let it not go unsaid that our country has no problem with respect to territory, water, soil and raw materials, and that it is only production that can save this country from dependence. I therefore think that in the very near future, with these plants, the matters of the war and the country's economy will be resolved, and that after victory in this imposed war there can be significant foreign exchange earnings through the export of weapons and munitions.

[Question] Operation Va ol-Fajr Eight showed that the Ba'thist enemy is vulnerable. Do you have plans to inflict blows of this type on the Iraqi regime?

[Answer] The brothers of the army and the revolutionary guards have a mission for the current year to plan other operations such as the victorious Faw operation. Actually the forces which have been mobilized in the country today to end the war are to carry out such operations. The brothers of the army and the revolutionary guards, with the experience they have gained at Faw, are ready to begin their operations against the natural and unnatural positions of Saddam's collapsing forces, and thereby overthrow the rotten Iraqi regime.

[Question] After the fall of the strategic city of Faw, an Iraqi commander announced that after the rainy season ends and the land dries in this area, Iraq will prepare its armored forces for attacking Iran. What is your view of this?

[Answer] Since that interview the enemy has made three efforts to recover the city of Faw, in each one of which he was defeated and took heavy casualties. All of this is empty talk that Saddam and the Iraqi military men make to please themselves. In their attack on Faw the Iraqi forces not only failed to advance, but in the operation they conducted a month ago to the southeast of the salt factory in this city they could not even hold their own against the powerful forces of Islam and were forced to withdraw. Our forces advanced three kilometers in this area and established a new position. Having been defeated at Faw the Iraqis were forced to say that they cannot carry out any operations until the swamps dry. The strategic city of Faw is just a point on Iraqi soil which has both dirt and asphalt roads and it is meaningless to say that swamps prevent them from attacking. The reason they said this is that the Iraqis have attacked Faw several times and have been defeated each time, withdrawing with heavy casualties.

[Question] What is the present condition of the war fronts? Please discuss this as far as possible, as well as the dispatching of the nation of partisans of God to overthrow Saddam's regime.

[Answer] The war fronts, praise God, with the unity which has developed between the brothers of the army and the revolutionary guards, have strong cohesiveness and organization. Formerly, even at the level of the armies of the revolutionary guards and the army, there was no joint outpost. As of a month ago, joint outposts have been established at most of the defensive lines for the army and revolutionary guard brothers so that the brothers of the revolutionary guards and the army can continue the sacred defense with cohesiveness, organization, and coordination. In order to disrupt the centralization of power at points where we intended to attack, the enemy attacked our forces in order to scatter them, but through the grace of God he was not successful in these attacks. In some places, such as Fakeh, Sharhani, and Pish Angizeh, where the enemy advanced to some extent, he was driven back in assaults by the brothers of the army and the revolutionary guards and was forced to gave back the land and take heavy casualties.

At the conclusion of this interview, the Commander-in-Chief of the Islamic revolutionary guards delivered a message to the martyr-nurturing nation of partisans of God in which he called for a general mobilization in order to silence every kind of tune that might weaken the source of the war, and for the continuation of the war until Saddam's overthrow, in the same manner as the period of the revolution and the second year of the war.

9310
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IRAN

BLACK MARKETEERS ARRESTED IN CRACKDOWN

London MEED/ THE MIDDLE EAST'S BUSINESS WEEKLY in English 28 Jun-4 Jul 86
pp 10-11

[Text]

About 200 people have been arrested and more than 180 shops and warehouses sealed up in a campaign against black marketeers. The crackdown follows shortages of some goods, but may also have been prompted by a national debate about the private sector's role.

The arrests, in mid-June, mainly involved hoarders of medicine, which the local press said is being marked up by as much as 800 times its value. Hoarders are blamed for creating shortages, particularly since February, when falling oil revenues signalled a drop in projected imports.

The campaign against black marketeers started two days after Imam Khomeini advised the government to give the private sector greater latitude (MEED 14:6:86). The support for the private sector was qualified, but bolstered efforts by conservative clergy and business people to reduce the government's domination of trade and the economy.

Various political and religious leaders have interpreted Khomeini's words according to their own inclination. Ayatollah Imami Kashani, Tehran substitute Friday prayers leader, said Khomeini's speech "has a clear meaning: the people should be allowed to participate while the government should supervise."

Prime Minister Hossain Moussavi, who is considered a proponent of state control, advocated a middle line. Taking up the question of private schools, he warned of elitism and a radical backlash. A likely compromise, he added, was for such schools to provide places for a certain number of children of those killed in the war.

Majlis Speaker Hashemi Rafsanjani, considered a radical, was most explicit in spelling out his understanding of Khomeini's words. The government is considering how to "enhance the participation of the private sector in the country's trade as well as cultural affairs (schools)," but the private sector will be given no more room unless tight new legislative safeguards are introduced against profiteering and "uncontrolled accumulation of wealth."

Rafsanjani said it is inconceivable for the Islamic government — particularly in wartime — to give "unbridled freedom to a group of the moneyed class lying in ambush. . . ." Some among the Friday prayers crowd chanted slogans for "revolutionary executions" of hoarders.

Rafsanjani referred to "two distinct ideological and political frameworks" within the government, the majlis and among religious leaders — one favouring total state control of economic activity, and the other only partial control. However, the two factions are not enemies and the issue will be decided by a majority vote "in the majlis or elsewhere."

There is speculation that the recent arrests of black marketeers may be part of an effort by radicals to put advocates of free enterprise on the defensive. However, substantial changes in state control are unlikely while the Gulf war continues.

/9317
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IRAN

NEW PLANS, POLICIES FOR MANAGEMENT OF FACTORIES ANNOUNCED

Tehran KEYHAN in Persian 15 June 86 p 18

[Text] Economic Service—The ninth meeting of managers of companies and factories affiliated and under the auspices of the Bank of Mines and Industry met yesterday morning—Saturday—at the central Mines and Industry Bank building.

KEYHAN's economic correspondent reports that at this meeting Hojjat ol-Eslam Dari Najafabadi, an expert on the Majlis Plan and Budget Commission, Khosrawtaj, Deputy Minister of Commerce, Engineer Kolahduz, Deputy Minister of Industry for Industry and Utilization, and Morteza Arami, Acting Director of the Bank of Mines and Industry, discussed the country's economic situation with regard to the government's reduced foreign exchange income, the mobilization of industry, industrial planning, the foreign exchange shares of various industries, increasing foreign exchange income for industrial units, and the country's economic-industrial independence.

According to this report, Hojjat ol-Eslam Dari Najafabadi gave a talk in which he discussed the drop in oil prices and the government's reduced foreign exchange income. He said: In view of the drop in the price of oil, which made up 70 percent of the country's budget, it is necessary, through economic planning, both to make up for this reduced income and to make the country's economy self-sufficient. We must get away from a one-product economy and create a mobile and growing economy for the country's independence, and so that future generations can make use of the fruits of this independence.

He then cited planning to establish military industries as one of the factors in reaching economic independence. He added: Appropriate investments have not been made in military areas and we have not made use of university and industrial managers. The needs of the fronts must be studied at all levels, because the war has priority.

Value must be place on the overall movement towards the industrial future. Perhaps the capacity of our military industries will become so high that in addition to meeting our own needs, we will also be able to export military equipment to Third World countries.

We must begin planning today for the production of crude oil. Let us say for example that we have an annual petroleum income of 10 billion dollars, and that in 20 years time with basic planning using this income for economic profit, we will be able to cut off our relationship with oil. In that time we will also have 50 billion dollars in non-oil income.

Study of Industrial Agriculture

Hojjat ol-Eslam Dari Najafabadi also said: The next focal point is agriculture and then mining. Unfortunately, so far agriculture has received little favor, and our brothers are thinking in terms of industry, of the dependent, parts-assembly type. I ask that you give attention to agriculture, agricultural industry, rural industries, fisheries industries, and packaging and preserving industries, and think about solutions.

Industries related to agriculture have extensive implications, and you can work in this regard. For example, we can export a million tons of apples every year in the form of compote or juice.

Guidance of Currency in Circulation

He then discussed the banking system. He said: The next focus of our discussion is the banking system, and the fact that the banks, especially the Bank of Mines and Industry, can make efforts to attract, guide, and plan properly to lead society's currency in circulation economy.

One of the best plans for guiding loose money in society is preparing for meeting the needs of society.

Unfortunately, some specialist banks take their money to the central bank and arrange to earn nine to ten percent profit. Don't they know that this very profit must be paid by the government, that is it becomes the government's debt to the bank? This is basically unsound.

What problem would there be if the bank came and bought the industrial units and then sold them to the people as stocks, making plans of course not to give any one person more than 100 shares?

Reduced Production Costs

In conclusion, Hojjat ol-Eslam Dari Najafabadi said: Another issue has to do with the cost of production. We must minimize domestic production costs. Unfortunately, these costs are now high in our country, and often the government's investment is not accountable.

It is also necessary that we plan to bring the universities, research centers, and various economic sectors together so that we can bring about the country's self-sufficiency, independence, reduced dependence, and social justice through planning in the areas that I have given, and so that we will be able to take effective, positive, and good steps to build an independent country that is also a model for other countries.

Foreign Exchange Situation in Factories

Our economic correspondent reports that then Khosrawtaj, Deputy Minister of Commerce, gave a talk in which he discussed foreign exchange issues and the country's industrial units. He said: After the triumph of the revolution, from 1357 [21 Mar 1978 – 20 Mar 1979] to 1359 [21 Mar 1980 – 20 Mar 1981] there was a pause in the allocation of the foreign exchange of units. After continuous and successive planning, this pause ended and the industrial units were able to obtain their share of foreign exchange in accordance with their needs.

Then the problem of the imposed war arose and there were changes in the apportionment of foreign exchange among units, and this matter was followed by a doubling of the price of both government and export foreign exchange.

He added: In view of the country's reduced foreign exchange income, with the planning that was done the amount of non-petroleum exports increased from 500 million dollars to one billion dollars, and it is hoped that the country's industrial units will make maximum efforts to increase this foreign exchange income.

New Ways to Obtain Foreign Exchange

According to this report, in the afternoon meeting Engineer Kolahduz, Deputy Minister of Industry for Industry and Utilization, discussed this ministry's new policies for the procurement and allocation of foreign exchange and the new priorities for industrial units.

He said: In the current year the country was subject to a plot to lower the price of oil and reduced foreign exchange, and this reduction will have great effects on the country's economy.

In view of current conditions and the necessity for attending to some of the issues of the revolution, the greatest pressures upon us are perhaps connected with restrictions in the industrial sector.

Engineer Kolahduz added: In the current year the Ministry of Industry's share of the foreign exchange is around 30 to 40 percent of that of the previous year, and this is not enough to allow us to allocate for every field and to meet their needs and provide them with raw materials. We have therefore rationed the following classes of goods:

A group of goods that are related to the power of the people and society's general economy, goods that create employment in society, such as medicinal and health care industries because of their sensitivity, industries connected with concrete, oil, flour, sugar cubes and sugar, and food industries in genera. We will try to give maxim resources to the units related to these goods, or we will give them foreign exchange in order to keep production at the desired level.

The next group has to do with necessary goods, and the fact that these goods are necessary in society, such as the spinning and weaving units, the simple textiles, shoes, paper, packaging industries, vehicle accessories, tires, dish washing liquid, shampoo, fibres, some electrical accessories, and others. We have grouped the units having to do with these products, and efforts have been made so that the currency shortage will have less effect on them.

The third group is goods with lower priority such as home furnishings, some textiles, nylon, some food industries such as compote and jellies, batteries, some containers, and glass and china.

The fourth group has to do with non-necessary and welfare goods such as rugs, machine-made carpets, and some home furnishings.

The Ministry of Industry has given most of its currency, or 60 to 70 percent, to goods with priority one or two, but unfortunately we have not yet obtained it for the current year.

No foreign exchange can be allocated to goods with priority three and four. We have also rationed priority one and two, depending on the items. More foreign exchange will be given to goods that are more sensitive for society.

Using Export Resources

Engineer Kolahduz also said: Of course we also have advice for the managers of units for making preparations to earn foreign exchange. The industrial units may themselves go into exporting. We know that entering the international market and finding markets is difficult, but we have made special arrangements to alleviate this difficulty, and therefore the Bank of Mines and Industry can enter this area as an industrial complex.

We have learned that some units have entered the exchange market, delivering goods and receiving raw materials. Preparations have been made for this, and we have also made special arrangements for you. They are as follows:

Capital export foreign exchange – This foreign exchange is ready, and units can import some of the raw materials they need by obtaining this foreign exchange. Of course they must return the foreign exchange they obtain so we can help other units.

I must add that we will only give the above foreign exchange to existing units. Newly-established units may not use it.

Removal of export restrictions – One of the problems of units was obtaining authorization to export goods. The Ministry of Industry has given authorization for export, and, in cooperation with the Ministry of Commerce, there are no restrictions on the export of many goods.

Foreign exchange for export – Concerning foreign exchange for export and its use by the units, restrictions have been placed on the manner of its use so that it will be used more for production activities and work.

There are therefore four specific instances of this we have identified:

1 – The use of foreign exchange for export to import machinery and spare parts.

2 – Any unit with exports of its own will have no restrictions on imports.

3 – Imports of auxiliary raw materials – Units may use export foreign exchange to import auxiliary raw materials. Of course this must not lead to changes in the prices of goods produced.

4 – For certain non-essential products, the units may increase the price, for example certain household goods, chemical substances in general, and others.

Of course in this regard the Consumer Protection Organization has applied certain restrictions, and in the next two or three weeks we will remove these restrictions on price increases so that the units can thereby earn more and take steps to import raw materials and other things.

Commercial Industrial Groups

According to the economic correspondent's report, after Engineer Kolahduz answered questions from the managers of the industrial units, industrial groups were formed in order to familiarize managers of companies and factories with the general managers of each industrial sector in the Ministry of Industry, and a commercial group was also formed to promote familiarity with export policies and the related problems.

9310
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IRAN

MONTAZERI URGES UNITY IN FACE OF ECONOMIC DIFFICULTIES

Tehran KEYHAN in Persian 16 June 86 p 2

[Text] Qom—KEYHAN Correspondent—At the national seminar for Friday imams which began yesterday in Qom, His Holiness Ayatollah al-'Ozma Montazeri discussed the duties of Friday imams, the necessity for their neutrality, ways to peacefully resolve differences of opinion, the proper approach to factions believing in Islam and the revolution, prevention of waste, and finally the necessity for preserving unity among all classes of society. In his speech yesterday, Ayatollah al-'Ozma Montazeri praised the services of the central secretariat and the Friday imams from across the country participating in the gathering, and he also prayed for mercy and forgiveness for the great Friday imam martyrs and the other martyrs of Islam and the revolution.

The Friday prayer has a special importance in Islam, and actually in Islam much attention has been given to gatherings. The first Friday prayer was held with 40 persons on the orders of the Prophet, and when His Holiness went to Medina, he himself conducted the Friday prayer with 100 persons. On this basis, the Friday prayer is actually the foundation for the social and political organizations of Islam, and the people must pay full heed to its importance and role, to the spiritual and clerical significance of the Friday prayer, and to the respected Friday imams. We must not expect chastity of the Friday imams, nor should we expose and damage the character of a person if, God forbid, we should see the least point of weakness. In the same connection, Ayatollah al-'Ozma Montazeri noted: Actually this practice adopted by some of taking severe action as soon as a weakness is seen to assassinate the character of a public figure or official, whether clergyman or not, is a great sin, and one must abstain from acts of this nature. Yet it is possible that persons with good intentions and criticism are, in their own view, serving Islam and the revolution in doing such things. He stressed: Just as the people, the officials, and the organizations must take note of the spiritual position of the Friday prayer and the respected Friday imams, the Friday imams themselves must in turn respect others, from the government officials and organizations to the respected religious scholars and clergy in the municipalities. It must not be the case that these gentlemen expect everything that is done to be for their benefit. Ultimately, the country's other clergy have toiled and studied as well, and their presence must be utilized in seminary instruction, propaganda in the municipalities, and at times in assisting the Friday imams or in speaking prior to the Friday prayer. Concerning the officials in the provinces and municipalities, it must also be realized that if there are differences with them at times on matters of opinion and taste in some executive affairs, the differences can be solved through mutual understanding and the weekly meetings which I have urged, and need not be aired in the Friday prayer sermons. He noted: The Friday imams try to make their sermons rich and comprehensive in terms of criticism, explanations, Islamic history, and the political issues of the day, so that the people can truly use them, be edified, and remain perpetually on the scene of the revolution. It is appropriate that in the first sermon, after the call to piety, guidance, and

sermons, ideological issues, explanations, the Traditions, and the history of Islam, the Prophet, and the chaste imams should be presented. Suitable material for the second sermon includes political issues of the day and the necessary reminders to the people and the officials. Ayatollah al-'Ozma Montazeri stressed: Since the Friday imams are representatives of the leader of the revolution and have the lofty status of clergymen, they must maintain their dignity and qualifications towards all persons, groups, and factions, and if they happen to lean towards a special faction or party, they must try not to position themselves in the special line of that party, faction, or group. They must maintain neutrality for themselves, the Friday prayer assemblies, the secretariat, and the Friday prayer staffs. They must set aside special time for people who wish to refer to them and people in need, so that these people can express their desires without fear or concern to the Friday imams, who are the spiritual and clerical axis of the municipalities. His Holiness Amir (Peace Be Upon Him) stressed this very point in his letter to King Ashtar, saying that needy people and people in pain must be able to discuss their pains with a responsible spiritual and clerical person in an area without fear from the governors and their associates. He discussed the question of making the people aware of the problems arising from the war, the economic embargo, and the pressures from the superpowers. He stressed: You respected gentlemen must make the people aware that ultimately, with this imposed war and the situation they have created with oil, we must take note of the government's economic problems and try to refrain from manifestations of grandeur, ceremony, and excess consumption, especially of luxury goods which must be purchased abroad, or the excess consumption of meat, extravagance at parties, and the like. In any case, in order to attain self-sufficiency we must begin a struggle of denial. Just as Gandhi waged a struggle of denial and non-consumption of many foreign goods in India against British pressure and was victorious, we also must wage a struggle of denial against many goods imported from abroad which are not necessary for life, so that, God willing, we will be able to put the problems behind us and achieve full independence and self-sufficiency. The people expect the clergy and the Friday imams to lead the way in this great movement. Concerning approaches to groups and factions who believe in Islam and the revolution, Ayatollah al-'Ozma Montazeri stressed: In these sensitive circumstances when we have a greater need than in the past for unity of speech, mutual understanding, and abundant sacrifice, we need the respected Friday imams in their sermons to stop the extremist activities being carried out by some persons on the fringes in meetings. They must advise people that these narrow views cannot save the country. Ultimately, every person or faction who believes in Islam, the revolution, and the position of leadership, may in any case have special tastes and views. For example, one person may be a liberal and a moderate in his own view. Another person who is a hard-liner must not be narrow-minded and do unworthy things against the interest of the revolution and the country. As the Imam said, people must be judged according to how they are now; the past of individuals must not be greatly investigated. If for example a faction does not accept the idea that you and I have, but they believe in Islam and the revolution, let them say what they have to say and write in the newspapers. Do not make trouble for them. If they say something in error, do not apply what they say. If they say something against the revolution and the nation, let the judicial powers and the appropriate authorities take legal steps. It is not right for people to rush out and beat people, and it may lead to disorder. In conclusion Ayatollah al-'Ozma Montazeri stressed the use of the Supreme Judicial Council, the clergy, and the municipal religious magistrates for judicial affairs, and he called for attracting committed people to serve in the judicial power in order to make life simpler for the Friday imams and the honorable clergy and their associates and families and to prevent some people from misunderstanding their spiritual position. He prayed in conclusion for a long life for the Imam and a final victory for the combatants of Islam.

9310
CSO: 4640/383

IRAN

ISLAMIC COUNCILS DISCUSS RURAL ECONOMIC PROBLEMS

Tehran KEYHAN in Persian 16 June 86 p 2

[Text] Economic Service—Five representative members of the country's rural Islamic councils held a press conference yesterday afternoon in which they discussed the most important problems and obstacles to the work of the rural councils and agricultural problems.

During the press conference the representative members of the rural Islamic councils cited the shortage the of financial resources and technical and development services needed to increase agricultural production and provide rural services as the most important obstacle to the desired performance of their duties.

During the press conference, Hasan'ali Qasemi, member of the tribal Islamic council of Banku Nowruz Khani for the Farsimadan branch of the Qashqa'i tribe in Fars Province, mentioned the special difference between tribal problems and rural problems. He said: The inclusion of tribal education with the Fars Province educational system and the implementation of one set of laws for both reduced the educational productivity of tribal children, and we expect the Minister of Education and Training to extend assistance in this regard. Ownership by tribal chiefs and feudalists of pastures and the closure to the tribes of seasonal migration routes have caused reduced livestock productivity and the emergence of many difficulties. He also called for greater speed in the issuance to regional officials of laws and internal guidelines for councils on the part of the Ministry of the Interior to remove the councils from their current unspecified status.

Seyyed Mohsen Musavi, a member of the Islamic council of the Hamadan village of Hamam Abad Bahar thanked the Reconstruction Crusade for its impeccable and extensive cooperation with the rural councils, and praised and thanked the prime minister for issuing guidelines to strengthen the rural councils. He said: Unfortunately the province officials do not look favorably upon the rural councils, and are planning to use them as footmen and servants for official and government organizations. Among his requests were greater speed in the implementation of the Islamic Councils Law, the practical implementation of the matter of the councils in the villages, the procurement of judicial security for the councils and the removal of elements opposed to them within the administrative offices, especially the Ministry of Justice and the Gendarmerie, the procurement of development and service needs such as the creation of rural industries, the allocation of more agricultural organizations to villagers, increases in the prices of basic crops, the extension of VOICE OF THE ISLAMIC REPUBLIC coverage to border villages, the strengthening of revolutionary organizations such as the Reconstruction Crusade, the seven-person councils for dividing and assigning land and the revolutionary guards, and purges of the administrative offices, especially the Deeds Registry, the Ministry of Justice, the Gendarmerie and the rural agricultural and cooperative offices, of non-revolutionary persons.

'Ali Dashti, a member of the Azademun-e Mahmud Abad Amol Islamic council of the province of Mazandaran, cited the lack of coordination between the area's courts and gendarmerie with the Islamic councils as an important problem, and he called the attention of officials to this important matter. He also asked the Ministry of Agriculture to help with aerial spraying of the rice paddies of the Mazandaran area against stalk-eating worms. He said: If this is done the per-hectare yield will increase about one ton. He named the area's tribal chiefs and wealthy people as people who make hostile use of power against the councils.

Kavyani, a member of the Moghan Tarqabeh rural Islamic council of Mashhad, criticized the Agricultural Bank's banking system in the granting of loans to farmers. He said: Formerly they gave loans of 10,000 tomans for two to three years to poor farmers, and this has now decreased. He called for an increase in rural loans and credits.

'Abdollah Ganji, member of the Moradtapeh Ashtehard rural Islamic council of Karaj, also cited the unspecified ownership of temporary agricultural lands, the shortage of agricultural credit allocated in economic investment, the migration of rural people to the cities, and the opposition of tribal chiefs, feudalists, and government offices to the councils as the most important current problems for farmers.

KEYHAN's economic correspondent asked: At the present time, by law, rural political and management authority must be in the hands of the rural councils. On the one hand these people are generally oppressed people while the economic power in villages is controlled by speculating merchants and rural tribal chiefs, and this definitely creates disharmony in the country's rural areas. What measures do you consider necessary to combat such disharmony? The representative members of the Islamic councils agreed that the most effective tools for coordinating rural economic power with the political authority of the revolution in the villages are greater power for the councils to solve rural problems, strengthening production, consumer, and distribution cooperatives, granting greater credit to villages, and practical opposition to usury and speculation in the country's villages, especially with regard to orchards.

9310
CSO: 4640/383

IRAN

ECONOMIC ACTIVITIES OF FOUNDATION FOR OPPRESSED ANNOUNCED

Tehran KEYHAN in Persian 16 Jun 86 p 18

[Text] Economic Service—Engineer Mozaheri, Supervisor of the Foundation for the Oppressed, gave an exclusive interview to KEYHAN's economic correspondent. He expressed his views of the heavy debt of the Foundation for the Oppressed, confiscated assets, the sale of small and large industrial units, the sale of the foundation's products abroad, the earning of foreign exchange, the change in the foundation's budget for 1365 [21 Mar 1986 – 20 Mar 1987], the sale of all property and real estate, the status of the executive office for Note 82, the transfer of the property of Hezhbar Yazdani and Penahpur to creditors, the increase of non-petroleum exports, the sale of fruit on a daily basis throughout the year in order to break prices on the free market, and other matters.

KEYHAN – In view of the reduction in foreign exchange income, what changes will there be in the foundations budget for 1365 [21 Mar 1986 – 20 Mar 1987], and what policies will be followed in view of this reduction?

Engineer Mozaheri – There was more opportunity to prepare and organize the budget for 1365 than for 1364 [21 Mar 1985 – 20 Mar 1986], and for this reason it is stronger and more comprehensive.

The 1365 budget is around 527 billion rials, but in view of today's conditions and in view of the fact that the industrial units have a foreign exchange base and dependency, it is necessary that we make revisions in this budget.

We are therefore working in two ways. One is that we are revising the budget in terms of its figures and numbers, and in this regard we will make efforts to economize, remove unnecessary expenses, and to procure raw materials and spare parts from domestic sources.

The next step will be aimed at exporting the products of units and earning foreign exchange.

Sale of Property and Real Estate

KEYHAN – What steps have been taken in the area of the reduction of small units and the foundation's investments in large industrial units?

Engineer Mozaheri – In this regard the foundation is trying to turn small economic units over to the private sector, as well as units whose products are not strategic gasses. In this way the foundation will obtain the necessary capital to buy large factories which the private sector does

not have the purchasing power to buy, and the foundation will invest in them directly. In this connection all of the foundations lands and real estates will be sold. The sheep will all be turned over to the agricultural sector, and we will sell the small industrial units and even our large industrial units if desired to the private sector. In this regard we have even made some arrangements. For example, in the sale of the foundation's lands and real estate, we will sell 50 percent for cash and the rest in five-year installments. We are therefore awaiting customers and sales.

In any case we will invest the money obtained in large units. In this connection we have purchased the large Qatran Production Factory from the Ministry of Industries and we will build a textile factory in Sanandaj. We have also invested in the creation of two cement factories.

KEYHAN – You were recently appointed Supervisor of the Executive Office for Note 82. What relationship does this organization have with the foundation, and what sort of work will it do?

Engineer Mozaheri – Concerning Note 82 and the Foundation we must say that these are two separate matters, each with its own responsibilities and tasks. All they have in common is that they are administered by the same person.

Under the law the Note 82 Executive Office has unknown assets and property, or non-government assets which must not placed in the government treasury. Under this note, we have are turning them over to the Imam's Aid Komiteh.

So far in this office a joint komiteh has been formed to deal with verdicts issued. To date around 400 of the verdicts issued have been analyzed and studied.

The Foundation and Debt Reduction

KEYHAN – With regard to the indebtedness of confiscated property, the foundation has heavy debt. What plans do you have concerning the repayment of these debts?

Engineer Mozaheri – As you say, the foundation has heavy debts because of the properties confiscated from feudal lords and those affiliated with the former regime. Essentially, these assets have complicated bank and legal problems, especially from the early years of the Islamic revolutionary movement, when these people took huge loans, converted them to foreign exchange, and then left the country leaving heavy debts behind.

What we must now do to reduce these debts is to reach an understanding with their creditors in cases where they may be paid in installments from income from possible assets, when we can in some way pay the necessary installments on indebted assets from their income in a reasonable period of time. Otherwise, we will use the foundation's capital to repay their indebtedness, allocating the money as additional capital until the units can stand on their own.

Another case is where it is neither possible to repay the indebtedness in installments nor in the interest of the foundation to keep the unit. In this case the entire unit will be turned over to the creditor to cover the indebtedness.

The first example has to do with confiscated assets of the Penahpur family, which owes 1,700 million tomans, or approximately the entire value of the assets, which are valued at 1,800 million tomans at current prices. With the agreement of the creditor (the Export Bank) we will transfer the assets at a hearing.

In this regard we have two to three cases of indebtedness which we will handle this year in the same way, such as the assets of Hezhbar Yazdani.

The Foundation's Non-Petroleum Exports

KEYHAN – Currently the importance and role of non-petroleum exports is more sensitive than in the past. What investments has the foundation made in this area, and to what extent can the government help in this important matter?

Engineer Mozaheri – First, as a great economic and service organization alongside the government and under the supervision of a theological government, the foundation can play an effective role. Second, as far as it is able the foundation can act as part of the non-government sector, and carry out special policies as a powerful arm of the government.

Concerning society's current economic condition and in view of the problems with the foreign exchange shortage and the importance of the role of non-petroleum exports, in view of its economic capability, the foundation has begun rapid movements. It has made efforts to export goods and find export markets, and has prepared proposals and submitted them for approval.

Overall we anticipate that we will be able to play a good role helping with non-petroleum exports, whether in the export of foundation products or exports from other sectors.

Steps have been taken in the foundation's economic expansion agriculturally and in the production of basic crops, such as wheat, barley, corn, soy beans, and their seeds, instead of non-basic crops. We will allocate the foundation's fields to these crops, and we will move towards the production of staple seeds.

Another part of the foundation's economic activities is the rendering of economic services to the people, either directly or through other groups and organizations.

An example of such services is the distribution of fruit in Tehran and the municipalities. During New Year's celebrations this year the foundation was able to break the black market price for apples. If you note carefully, the price of apples distributed by the foundation was eight to ten tomans per kilo, while the free market price did not go above 20 tomans. During the last few weeks, however, when then foundation's apple storage refrigerators were empty, the free market price for apples reached 30 to 40 tomans.

Of course we have made a plan to distribute fruit grown in the foundation's agricultural sector all year in phases and repeatedly through the foundation's outlets. Every day of the year we will distribute fruit among the people at low prices to keep the free market price for fruit from rising.

Another example is watermelons. At a time when prices had risen sharply and the foundation actually has no kind of unit producing watermelon, from the beginning of the blessed month of Ramadan [11 May 1986] the foundation began distributing watermelon at low prices and we lowered prices.

These are examples of the foundation's economic services to serve the oppressed. We hope, with guidance and leadership from the officials, to be able to strive more than before to serve the oppressed.

9310
CSO: 4640/381

IRAN

MAJLIS CONTINUES TO EXAMINE GOVERNMENT RETIREMENT BILL

Tehran KEYHAN in Persian 16 June 86 p 18

[Text] KEYHAN Political Service—At yesterday's public Majlis session the pre-agenda speakers were Gholam'reza Feda'i, the deputy from Arak, and Mohammad Mehdi 'Abd Khoda'i, the deputy from Mashhad. The report on these speeches was not published yesterday due to lack of space. The report is presented below.

Gholam'reza Feda'i, the deputy from Arak, was today's first pre-agenda speaker. He began his talk with references to the month of Ramadan and the Imam's comments on the day of the Feast of the Sacrifice. He said:

The Imam stresses the role of the people and their participation. Have we done this so far? If we have, to whom was the Imam speaking? Let us accept it if we have fallen short or erred. The Imam really loves the people, and he says to let the people participate in everything. When the Imam wants the people to participate even in government affairs, it is obvious what it means to him to remove faithful forces on vain pretexts. He then said: A noteworthy point is, does the participation of the people in the government mean government by the private sector? And does this concept of popular participation in affairs the Imam is presenting resemble Western capital systems, where a group of capitalists, as in a cartel or a trust, takes control of affairs and everything is determined by them? God forbid!

When he says that the government ought to supervise as well, is government supervision to resemble the socialist systems? Again, God forbid!

One fears using the words of anyone but the Imam himself to explain his intentions.

The Imam says that everything belongs to them. The government is their agent; the judicial power, the executive power, and the legislative power are all the agents of the people.

The Imam wants an Islamic government. Does Islamic economics, with its many interpretations going back to various sources, provide a framework or not?

Why don't they specify this? Why are they falling short? Eight years have passed since the revolution. We must accept the fact that in this area we have done little.

The speaker then said: There was a time when we were afraid of excesses and profiteering from the people and kept them out of everything, putting everything in the hands of the government. Then we finally understood that the government was not a good executor and that corrupt people

and opportunists had gained influence in government work to do things for themselves. If the time comes when we give the people a free hand in everything and do not carefully supervise, or if we do supervise and we cannot punish criminals and felons as we should, naturally the corruption will be great.

If, in the many cases where government cannot, and actually has not been able to do anything, the people are given free reign, on the other hand the legislative and judicial powers must deal harshly with the criminals who will abuse these conditions. For example, are not the people monopolizing public sustenance and necessary medicines, in these times when when our youth are giving their blood, corrupters of the earth?

What about the addicts who are causing an uproar in many municipalities such as Arak?

What kind of struggle is this, when our youth are being corrupted group by group?

Here I give warning that if the people are be given a freer reign in affairs, the judicial powers must abandon their current posture, and the legislative power must enact laws quickly if they are necessary so that with suitable warning the real criminal and the source of transgression will be dried up. A few monopolists, people hoarding medicine for example, should be executed so that others will take stock of what they are doing.

I give warning that a number of people have created artificial shortages of basic substances by making arrangements with some producers so that they will mainly not produce, creating conditions that force us to import goods.

This matter has many subtleties and requires a precise approach and clarity of terms. These people must be dealt with using wartime laws. The judicial powers have a very heavy responsibility, just as the legislative power must not allow itself to be shackled by weakness.

I have said repeatedly that the drop in oil prices is a blessing for those of us who can assess our position with non-petroleum income. We will be successful, however, when we can plan for this matter with all our being and take it truly seriously. Non-petroleum exports, yes, but never imports of goods which will have a negative effect on the pattern of consumption.

The Arak deputy then mentioned the polluted atmosphere of Tehran. He said: The city of Tehran has recently moved from second place to first place in terms of air pollution, and this is a serious danger sign for officials doing basic thinking. The level of lead in the air is toxic. He then mentioned the overall planning of the municipalities. He said: While calling for expedition in the enactment of a comprehensive plan for the city of Arak, I am declaring that a discussion of a comprehensive plan for the municipalities without taking the villages into consideration is pointless.

Officials must realize that if they want to serve the municipalities, they must begin with the villages.

There is an extensive area in Arak containing heavily populated villages with abundant water resources, but its principal difficulty is the lack of a road. This general area could play a role in the nation's agriculture, especially if the Ministry of Roads and Transportation would build a road through Darman, Khaneqah, and Hezaveh.

I ask the VOICE OF THE ISLAMIC REPUBLIC to appoint a representative for the city of Arak as soon as possible. I thank the Ministry of Health, which has described well the resources of the city of Arak for building a medical school.

The speaker then referred to Reconstruction Crusade Week. He said: I hope that all of our offices will one day be on a crusade, rather than the Reconstruction Crusade itself being just another office like the others.

Talk by Mashhad Deputy

Mohammad Hadi 'Abd Khoda'i, the Mashhad deputy, was today's other pre-agenda Majlis speaker. He observed the anniversary of the martyrdom of four members of the Islamic coalition. He said: In 1343 [21 March 1964 – 20 March 1965] the filthy monarchy enacted the shameful capitulation in the royal Majlis, in order to further stabilize America. The Imam's protesting voice arose in the face of this enactment. In the next ten days, in a suffocating atmosphere, they took the nation's dear leader and sent him into exile, but the children of the crusade remained calm and answered all of that irreligious behavior with the assassination of Mansur.

He then said: We honor the anniversary of their martyrdom 21 years afterwards. We consider Martyr Bokhara'i, Martyr Amani, Martyr Herandi, and Martyr Nik-Nezhad among the prominent martyrs.

He added: Oh martyrs, come and see the results of all of this sacrifice and bravery. The Islamic revolution has started a wave and breathed life into the Muslim world. Come and see how your exiled imam leads the Muslim world at the peak of glory and has recently said "Who are we, and what are we?" Oh leader! You have created this roaring wave. You made these youth. You are the one who taught the nation to give this attention to God. You started this movement in the Muslim world, and you are the one who broke all of this American pride.

Continuing his remarks, the Mashhad deputy said: God help us to be as devoted as you and to take God into consideration in all that we do and to try to preserve unity. Let us not think only in one dimension. Let us value the participation of the people as well as government supervision. Let our encounters and criticisms be sound. Let us observe Islamic justice, even with regard to our opponents, and let us praise this splendid revolution. The Islamic revolution is the beginning of an age and a season in the history of Islam, a season in which the Islamic nations have realized that they can make revolution without dependence, and that they can stand up to world imperialism.

He said: Of course world imperialism has not remained idle in the face of all this splendor, and it is not doing so. Every day it creates a new episode. Sometimes it creates an oil plot, and sometimes it puts King Hussein to work, the home-born broker for imperialism. This criminal of history plays the brokerage role of Iran's dead shah, just as Saddam plays his role as gendarme. The necessary anticipation must be made of the plots of world imperialism, although we are confident that the oil plot will end in defeat, because even in America itself there is conflict between the supporters of industry and the oil companies. If the OPEC member countries think of serving their nations rather than America's interests, they will be victorious. I call upon the respected government to decisively implement the necessary economy in the consumption of foreign exchange reserves, to cut out surplus expenses, activate exports as much as possible, to prevent unnecessary imports, and to support domestic production. We must observe justice in the distribution of goods, and we must especially give greater attention to the oppressed class.

The Mashhad deputy thanked the courts for prosecuting criminals and called for a decisive fight against foreign exchange misappropriations.

Continuing his remarks, 'Abd Khoda'i mentioned the importance of the universities. He called the consumption of 70 percent of the university budget in the medical field a great scandal, and said: Although medicine is one of the valuable university fields, each of the other fields of study is necessary and useful in its own right, and some fields are even more important than medicine. The importance of a doctor of physics is no less than that of a doctor of medicine, and the importance of a radar specialist or a rocket builder is much greater than that of a physician.

We must train our own doctors of political law and train scholars for our own economy. This danger and this unjust division must be stopped, and all university disciplines must be strengthened.

Concluding his talk, he called upon the Ministry of Culture and Higher Education to make maximum use of the academic capabilities of the universities in the service of the war, and to do some basic thinking on substituting for the classroom units of combatant university students.

At 11:20 a.m. yesterday the Majlis public session came to order presided over by Hojjat ol-Eslam Mohammad Yazdi, deputy Majlis speaker.

During this session the bill to reform Note One Article 74 of the National Employment Law and to add four notes was presented and studied.

Gholam'ali Shahraki, Dari Najaf'abadi, and Movahhedi Savoji proposed the removal of Note Four.

In explaining his proposal, Dari Najaf'abadi said: Objections have been raised previously to this Note Four that those employed in the armed forces are mentioned only in one section. That is, women employed in the armed forces are mentioned only with regard to retirement, but their responsibilities are not made clear in other areas, and this is itself one of the problems with Note Four.

Another problem with this note is that they stipulated a two-year grace period between its enactment and its going into effect.

Likewise, in general there are other problems with Note Four. It does not have a comprehensive view. For example in the banks, or in the country's other organizations where the women and ladies work, regulations must also be made with regard to them. Even the Social Security Organization, the government companies, and others have not been treated uniformly. Only one special class of staff women have been considered.

Another problem is that many staff women covered under the national employment law are employees in education, training and health care. If we want to have the education and training staff and those who work in health care and treatment retiring after 15 years of service, this is an injustice at a time when we have few personnel and great need for such people.

I therefore request that the respected deputies delete Note Four and vote for its deletion.

Speaking in opposition to the removal of Note Four, Ms. Behruzi said: Mr Dari said that the status of women working in the banks, municipalities, and other non-military institutions has not been specified, while it says in Article One Note One that employees in all ministries, companies,

government institutions, municipalities, banks, and institutions, companies, banks, and organizations covered under the law may request retirement. Here it has also been asked why there is a grace period for women employees in the organizations mentioned in Note One of this Article One, as well as those serving in the armed forces, and I am myself opposed to this grace period, and believe it would be better without it. In the third case he mentioned the financial burden of this note, saying that it was not proposed by the government itself. I must say, however, that the government is in agreement with the many requests from sisters that come with this bill. Also, you respected representatives yourselves say that women tire sooner than men, and that they do not have the necessary power as men do. The government of the Islamic republic must make it possible for women to retire after 15 years.

Speaking in favor of this proposal, Movahhadi Savoji said: Those women who were hired, studied four or five years after being hired and obtained credentials and became specialists, now that they want to work for the Islamic republic, they want to retire under this law, and say that their view is correct that we should make such an exception for the women. I consider this detrimental to the Islamic republic.

Then an expert from the Labor, Administrative Affairs, and Employment Commission and a representative from the Ministry of Defense gave explanations concerning this proposal and expressed opposition to the removal of Note Four.

The proposal to remove Note Four was then put to a vote and was rejected. Continued discussion on this bill was deferred to the next session.

The public Majlis session ended at 12:05 p.m. and the next session was set for Tuesday the following day at 7:30 a.m.

Our parliamentary correspondent reports that at the conclusion of yesterday's public session a group of deputies sent a letter to the Council of Guardians congratulating it on the appointment and election of three members.

Part of this letter said: We congratulate you on the reelection and reappointment of three of the respected theologians of the Council of Guardians by the leader at a time when Islam is more in need than ever for alert, faithful, scholarly and just guardians, and of the far-sighted and deep thinking and insight of the great imam. We ask God for his daily-increasing success in the service of Islam and the Muslims

9310
CSO: 4640/381

IRAN

BRIEFS

WHOLESALE PRICES OF CERTAIN GOODS INCREASE—Economic Service—The wholesale price indicator for goods for Ordibehesht 1365 [21 Apr – 21 May 1986] was issued by the Central Bank of the Islamic Republic of Iran. Based on this indicator the wholesale price for goods in Iran in the first months of 1365 [21 March – 21 May 1986] increased about 10.6 percent compared to the same period in 1364 [21 March – 21 May 1985]. According to this report, the greatest effect on the wholesale price indicator was caused by increases in the prices of rice, citrus fruits and fruits with seeds and pits, along with advances in the prices of grains, dried fruits, tubers, vegetable oil (due to increased guild prices), livestock, unginned cotton, tobacco leaves (due to the increased purchase price from growers), hemp, uncombed wool, ores, clay, clay pots, fabric dyes, cloth, carpets, lumber, iron and steel pipes, iron cable, tables and chairs, nuts and bolts, electronic parts, transformers, Peykan automobiles, and pickup vans and trucks. Likewise the prices for wheat, wheat flour, barley, eggs and dairy products, vine and shrub fruits, and leafy and shrub vegetables decreased in the month of Ordibehesht this year. Compared to the month of Ordibehesht of last year, the indicator for foodstuffs and livestock increased about 20 percent, 21 percent for industrial raw materials, 11 percent each for beverages, smoking materials, hides, leather, and their by-products, five percent each for textiles, clothing, and metal products, about 17 percent for paper, six percent for cardboard, four percent each for basic metals, machinery, and transportation equipment, 24 percent for agricultural and animal husbandry products, and seven percent for construction products. The indicator for mined materials, chemical and petrochemical substances, and rubber remained relatively stable, but the price for fossil fuels and their by-products decreased three percent from the same month in 1364. [Text] [Tehran KEYHAN in Persian 16 June 86 p 2] 9310

CSO: 4640/383

PAKISTAN

U.S. AMBASSADOR'S NUCLEAR ENERGY REMARKS SEEN AS INTERFERENCE

Karachi JASARAT in Urdu 29 Apr 86 p 3

[Editorial: "U.S. Ambassador's Remarks"]

[Text] U.S. Ambassador in Pakistan Deane R. Hinton has said that the United States does not doubt that Pakistan needs an atomic reprocessing plant for its immediate energy requirement. He has also acknowledged that the United States put pressure on France to stop supplying the atomic reprocessing plant. He was addressing a reception in Multan the other day. On this occasion he also said that it appears impossible for Pakistan to overcome the energy crisis without atomic energy.

May we ask the U.S. ambassador, with due respect, what kind of standard he or the United States possesses for measuring with certainty what Pakistan's needs are? And even if it does have a means of ascertaining this with certainty, the requirements of an independent country, when the U.S. Government claims almost every day that it does not interfere in the internal affairs of any country? When it comes to Pakistan, the United States sets aside all moral rules and regulations. Pakistan was trying to obtain an atomic reprocessing plant from France, not the United States, but the United States went so far ahead in this matter that it put pressure even on France, though this was strictly a matter between two independent countries. Besides this, the U.S. ambassador on the one hand said that even at the time when Pakistan was trying to obtain this plant the United States believed that Pakistan did not need it and that this belief persists today. According to the United States, extraordinary conditions do not exist in Pakistan. On the other hand, by supplying military aid, the United States indirectly recognizes that extraordinary conditions do exist around Pakistan. Thus the U.S. ambassador's own arguments prove the course of action adopted by the United States to be wrong and, under these circumstances, the need for an atomic re-processing plant becomes still more acute.

The gist of the matter really is not whether Pakistan needs or does not need an atomic reprocessing plant, but that this is the custom of the super powers to keep small countries always dependent upon them and, even when the small countries meet their requirements, they respond as they please and on their own terms and conditions. For example, if the United States wishes to give military aid to Pakistan, in this case, too. Pakistan is given not what it

needs, but a decision is made as to what should be given or not given to Pakistan according to the table of contents. If Pakistan asks for cannons it is given guns, saying that Pakistan does not immediately need cannons. The small countries are so eager they cannot hold their hands high enough, yet President Ziaul Haq himself once quoted the English idiom that if wishes were horses, beggars would ride. This compulsion will not end so long as countries like Pakistan do not learn how to stand on their own feet. The United States opposed supplying an atmoic reprocessing plant to Pakistan lest this country, with the help of this plant, become capable of separating plutonium, using enriched uranium. If this were possible, then Pakistan could build an atom bomb. This is what the United States does not approve. What is wonderfully strange is that Israel has become an atomic power. The United States gave its assent and supported Israel in becoming an atomic power. But Pakistan is prevented from acquiring atomic technology even for peaceful purposes. The United States dichotomy is evident from the ambassador's statement itself. In this statement, the ambassador acknowledged that Pakistan cannot overcome the energy crises without obtaining atomic energy. The question is, if the United States is aware of Pakistan's needs, why is it hindering Pakistan from obtaining atomic energy? Does this not mean that the United States does not wish Pakistan to be able to overcome the energy crisis?

The conditions for the United States to help Pakistan is that it should satisfy the United States that its atomic program is really for peaceful purposes only. It is hard to say what Pakistan should do to satisfy Washington. The Pakistan Government has been continuously trying to get it across that its atomic program is for peaceful purposes only, and U.S. Ambassador Deane R. Hinton is also saying that Pakistan needs atomic energy to overcome the energy crisis. Then what other way is left? Why does the United States need Pakistan's assurances in this respect when a country like the United States has intelligence organizations that know about every part of the world and bring news even from behind the Iron Curtain. How can the real purpose of Pakistan's atomic program be concealed from the United States. The question is, before stopping the supply of the atomic reprocessing plant, did the United States give Pakistan an opportunity to convince it? At that time, the policy adopted was "might is right," and now it is being said that, to satisfy the United States, Pakistan should sign the international non-proliferation treat. Pakistan is not opposed to signing this treaty. Pakistan is prepared to do so on condition that India, which has already exploded an atomic device, in 1974, also sign it. But the United States is bent on bringing about pressure on Pakistan in every way. Under such circumstances, Pakistan should seriously consider obtaining the assistance of its other friends in trying to overcome the energy crises facing the country.

9315/8918
CSO: 4656/83

PAKISTAN

COMMENTATOR VIEWS SIND RECEPTION OF BHUTTO, JATOI'S REMOVAL

Karachi JANG in Urdu 16 May 86 p 15

/"Letter from Gharo" by Tariq Shahid: "Benazir Bhutto Will Have to Pass Through Tough Trial Period"/

/Text/ The officiating chairperson of the Pakistan People's Party (PPP), Miss Benazir Bhutto was granted a grand historic reception, when, after her successful tour of the Punjab, she arrived at Karachi and then at Gharo on her way to Thatha during her tour of the interior of Sind. A huge number of the workers from all over Sind were present at Ghagar Paatak to welcome her. After witnessing the procession nearly 22 miles long that had come for her reception, even her rival political workers had to admit that Miss Benazir was more prominent than her deceased father, Mr Bhutto. In fact, this tour of Benazir dispelled, to a great extent, the tension that existed among the people, particularly among the people of Sind, during the 9 years of martial law. True happiness was portrayed by the people who participated in her meetings. After Thatha, she addressed meetings at Sajawal, Badin, Talhar, Matli and Tando Mohammad Khan, after which she addressed a grand meeting at Hyderabad. Special attention was paid to law and order during all such big historic meetings and processions. Right now, Miss Benazir Bhutto is passing through a tough trial period, because Ghulam Mustafa Jatoi has been removed from the Sindh PPP and the Makhdoom Khaliquzzaman has been nominated provincial president. Not only have the dedicated sectors of the PPP, but the leaders of the various political parties also have expressed intense sorrow over this action. No matter what the internal differences are, Jatoi's sacrifices for the PPP--to the extent that he turned down the proposal for a ministry--cannot be forgotten. Jatoi is a politician who is equally popular among all four provinces of the country. He is said to be a well-mannered politician. Anyhow, PPP Chairman Nusrat Bhutto has already intervened to gain custody of the entire procedure. Now, Nusrat Bhutto will have to decide whether Jatoi should be re-elected as a president or left aside. It is possible that there is some other reason for removing Jatoi from the presidency. However, according to the party's close circles, the reasons given for this action are that he did not go for Benazir's reception when she returned to Pakistan, and then he issued contradictory statements on the death anniversary of Zulfiqar Ali Bhutto. However, the political sectors proclaim very confidently that there will be a void created in the PPP by Jatoi's elimination from it. Benazir Bhutto, too,

has realized this fact. She expressed this feeling by stating that she did not wish to lose Jatoi, which clearly brings to the limelight the fact that, so far, she has not made any appropriate decision. Moreover, the resignations of Jatoi's supporters, too, are a source of concern for her. However, the provincial president, Makhdoom Khaliquzzaman, by denying these issues any importance, has satisfied himself by saying that Miss Benazir was given a /corrupt text/ reception upon her arrival in Karachi and the interior of Sindh, and that Jatoi's presence or absence makes no difference at all. This clearly indicates that Khaliquzzaman regards Jatoi as his adversary. Certain observers stated that Benazir was making vital mistakes like her father; one among them was Jatoi's removal from the presidency. Under such circumstances, therefore, if Jatoi forms a new political party, then, irrespective of whether that political party is successful, it will still inflict great harm on the PPP. Some people have gone so far as to say that Benazir has played into the wrong hands. Anyhow, only the forthcoming period will now decide who was right. However, according to the latest information, Ghulam Mustafa Jatoi, too, has decided to return /to the country/ before Eidul-Fitr. Now, upon Jatoi's return alone will his strategy be known. One thing that has been witnessed during Benazir Bhutto's recent tours and is worth mentioning here is that the very same women who hesitate even to vote because of being unveiled, appeared on the streets to dance. Thus, besides the government officers, municipal councillors, chairmen and other former MPA and MNA gentlemen, individuals from every school of thought were present there. The current meetings and processions have also proved that the prime minister of the present administration and the leader of democracy, Mohammad Khan Junejo, has reinstated true democracy. Benazir has admitted this fact in her speeches also. However, after the statement made by the president of Pakistan that he was playing cricket, but, if Benazir tried to play hockey, he would be forced to alter the game, Benazir responded and said that politics was not a game, and that they were struggling for a true democracy in which the people could attain their basic rights. After issuing this statement, she expressed fear in numerous meetings that, perhaps, she might be arrested during her meetings in the interior of Sind. However, no such policy or statement has been reissued by the administration which would indicate that she could be arrested. Nevertheless, nothing can be said with full confidence about the future. But, since Miss Benazir Bhutto has ceased public contact during the month of Ramazan, it would be better if she reviewed the decisions and prepared a modus operandi for the future. The party's provincial president, Makhdoom Khaliquzzaman performed the inauguration of the Hala Convention, which Benazir also attended on the 2nd day. During the convention, international, national and provincial matters and the organizational affairs of a party were brought under consideration. Khaliquzzaman won the vote of confidence at this convention, while Mustafa Jatoi and his supporters were severely criticized. However, Miss Benazir Bhutto was unanimously elected cochairman by the delegates in this convention; Khaliquzzaman was the one who moved the resolution for this. One issue among the specific matters emphasized at the convention was to organize the party within the month of Ramazan only and form it into an elected party on every level, not just the district and subdistrict levels. Also, within 2 weeks, contingents of 2,000 workers would be prepared in every district. It was also decided that measures should be taken to force General Zia to quit the administration. Thirdly, a resolute struggle to ensure that elections are held in the fall is also included. Several other unanimous resolutions were also passed during the convention and before the month of Ramazan is over, a clear statement regarding the entire situation will be issued.

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CSO: 4656/85

PAKISTAN

COLUMNIST SEES PPP MOVING TOWARD CONFRONTATION

Lahore NAWA-I-WAQT in Urdu 7 Jun 86 p 3

/Article by Ilyas Shakir in the column "Karachi Diary": "People's Party's Decision To Try 'Last Resort'"/

/Text/ Miss Benazir Bhutto's policy of holding mass meetings and rallies has changed to communication with other parties, legislative talks, and appearances on "Meet the Press." These meetings are not much when it comes to attendance but have more influence on politics since the participating leaders and audience have more opportunities to air their views. During the Ramadan month, Miss Bhutto has been working on strategies to put pressure on the government this fall. Her recent public appearances seem to be part of this effort. The proposed 5 July movement has been labeled peaceful, but all the activities after the Dala convention indicate that the PPP /People's Party of Pakistan/ leadership has decided to resort to extreme measures. The PPP calls its pressure groups "ambassadors of democracy" and "paramilitary forces." Begum Ashraf Abbasi, a prominent PPP leader, has asserted that these demonstrations will not involve civil disobedience and will be a grassroot movement to establish democracy. The news filtering from 70 Clifton Road, however, is to the contrary. Lists of people from different areas arrive there daily to indicate that a specific number of persons have signed up for participation in various activities. A political observer, who has been studying the PPP, believes that the leaders of the party have decided to send more than 150,000 political volunteers to jails within 2 or 3 weeks after the Ramadan festival. This will get international ire against the government for curbing civil and human rights. At the same time the government will have its hands full trying to accommodate this large number of political prisoners. The PPP leadership believes that the present jail capacity is around 50,000 prisoners. The PPP sources indicated that the 1983 MRD movement failed because of poor planning and had only 4,000-5,000 people available for going to jail. It would have been very different if 4,000-5,000 people had volunteered for arrest in each district. The PPP has one problem at present. In some districts the PPP has managed to get only about 100 out of the needed 500 volunteers and in other districts they have as many as 1,800 to 2,400. The total number of volunteers has reached over 300,000.

Ramadan is progressing and the PPP is getting ready to sound the war trumpet. The role of the Muslim League and other political parties will depend on what

transpires this fall. According to our sources, some of the leaders of various armed groups have agreed to wait until after Ramadan. They will be closely observing the situation after Ramadan is over. There are 80,000 trained and armed soldiers in Sindh waiting for Pir Pagara's orders. Another 150,000 persons are in the reserve force. After the MRD movement, when the police were unable to control the crime, the reserve force was called in, forcing the criminals underground. People demanded that the force be sent back for political and economic reasons. Three forces in Sindh are waiting for action while the PPP is working on regaining the power it lost in 1977. The followers of Pir Pagara are trying to save their "rule" and Jai Sindh supporters believe that Sindh will become a slave to Punjab again under the leadership of Benazir Bhutto. They are ready to sacrifice their lives to avoid this. Before the PPP came on the scene, the Jai Sindh workers had forced the PPP supporters, especially the People's Student Federation members, to join it at gun point. The third organized and armed power in Sindh is the Islami Jamiat-e Tulaba /Islamic Students Organization/ which followed the ideology of Jamaat-e Islami /JI/. This group will play a major role in the cities, but we are not sure about it. The JI has not been very "zealous" in supporting General Zia. We have to see if the "ambassadors of democracy" manage to carry out a peaceful rally.

Interestingly, these three groups consider Gen Zia a "gentleman ruler." During the recent political upheaval, Ghulam Mustafa Jatoi has also risen as another power in Sindh. The PPP has all but asked for this fourth rival. All over the world even enemies become friends in troubled times. The over-zealous leadership of the PPP, however, has adopted the policy of making as many enemies as possible. It realized its mistake after ejecting Mr Jatoi from the party and tried to make amends by inviting the MRD leaders to the fastbreaking party at 70 Clifton Road. Most of the leaders sent their B class followers just to assess the situation. When all the meetings and processions were over, Benazir found herself all alone in the political arena. This is her last chance. This is a question of her political life and death. The country is waiting to see how she gets out of this complicated situation created by her followers. Supporters of the PPP greatly miss Mr Jatoi, who has been a bridge between the PPP and other parties.

Both the commercial and political groups in Karachi are scared of next month's political confrontation. They are worried whether this will result in another martial law, a civil war of foreign intervention. After the failure of the MRD movement, Pir Pagara had commented that the government would not send us to jail but to our graves if we tried this again. Pir Sahib had said this as a joke while dining at Professor Ghafoor Ahmad's home. We hope this joke does not become a fact. Gen Zia has already accused Benazir Bhutto of getting help from the Soviet Union, India, and Libya. Such talk has scared people badly. This situation of fear and uncertainty will affect our industrial and commercial activities. Let us look at government reaction to the PPP preparations. It arrested Rashid Rubani and took action against businessmen who had helped the PPP financially. This was followed by the murder of Faqir Iqbal Hasani, chairman of the Sindh People's Students Federation. Now the people are wondering if all this was coincidental or if a subtle message if being sent out by the government. Patriotic Pakistanis should be prepared as some politicans are ready to play with the fire.

Now let us discuss Miss Bhutto's temerity at her "Meet the Press" meeting. She did not remember any excesses taken by her late father Zulfiqar Ali Bhutto against the press. However, she demonstrated her excellent memory by referring to her father's good deeds. Did not he construct roads in the Chitral area to make the lives of soldiers, who depended on air drops, more bearable? While addressing newsmen at the Karachi Press Club, she asked Mehmood Ali Asad, the club president, not to address her as the cochairperson since she was like his "sister and should call her so." She ignored a question asking whether there was room for a cochairperson of the PPP and began to talk about the rights of the people. One journalist asked her what the difference was between her taking liberties with the party constitution and the government's playing with the national constitution. Miss Benazir ignored the questions asked her at the Karachi Press Club with arrogance and self-confidence. Such an attitude can be called politics in a general meeting, but making erroneous statements and acting willfully in a meeting like this is a big political mistake. She should know why some of the favorable news is not published. Most of the senior journalists did not ask her even one question because of her attitude. No doubt, her responses were interesting and reminded us of some foreign press conferences seen on foreign television programs. But she was not effective. Had she admitted to all the mistakes the PPP had made and proposed her future program, she would have won new respect!

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PAKISTAN

BIZENJO PROPOSES CONVENTION OF HEADS OF LEFTIST PARTIES

Karachi DAWN in English 25 Jun 86 p 2

[Text]

LAHORE, June 24: The Central Working Committee of the Pakistan National Party has proposed the formation of a Council of the Heads of the Parties intending to merge into a new Left wing political party, and a 60-member organising-cum-advisory committee to achieve the proposed merger "totally" and "in a democratic way."

Addresing a news conference here Tuesday evening, Mir Ghous Bukhsh Bizeno, the President of the PNP, said that the proposal of forming a National Council of 400 members to elect office-bearers at a convention "is not conducive to a real and speedy merger".

He was of the view that the declaration of dissolution should first come in resolution by the four political parties intending to merge into a Left-Wing political organisation to begin the process of merger. According to him the eight members Steering Committee, headed by Sardar Shaukat Ali, exceeded its terms of reference as some of its recommendations amounted to dicisions which was contrary to what had been entrusted to the Committee. He said that some of the recommendations of the Committee were against the spirit of a "total merger" and envisaged separate identity of the parties to remain intact.

party's stance, he said that it was objecting to modalities of the merger and not backing out of the move which it pioneered. He said that the "correct" and "democratic" way was to first launch the membership campaign and then hold election at primary to provincial levels. It was after this process that a national or general council could be formed to elect the central office-bearers. The Merger Committee's proposal of appointing a 400-member National Counicl, to be nominated for one year, was not a democratic way, he added.

Replying to questions, he said that the PNP had no objection to name the proposed new party as Awami National Party. The PNP also proposed the revival of the flag of the defunct National Awami Party, as the flag proposed by the steering committee was that of the Democratic Students Federation. Mir Ghous Bukhsh Bizenjo said that the proposed Awami National Party would continue to be a component of the MRD and follow its discipline. As for the amendments proposed in the draft constitution and the manifesto of the proposed political organisation he said that the PNP's stand in this regard would remain unchanged unless the elected National Council would decide otherwise.

/9317
CSO: 4600/401

WALI KHAN LASHES OUT AT JAMAAT-E ISLAMI

Karachi DAWN in English 25 Jun 86 p 10

[Text]

PESHAWAR, June 24: Khan Abdul Wali Khan, leader of the National Democratic Party, has termed the allegations levelled by Senator Qazi Hussain Ahmad of Jamaat-i-Islami about the involvement of NDP and PNP in the bomb blasts, as a crude attempt of diverting attention of the people from real issues.

It was an attempt on behest of their imperialist masters, he said, adding that they were trying to impose alien dictates on the local politics.

In a lengthy Press statement issued from Swat (his summer resort), Mr Wali Khan said: 'It may have been a coincidence that the JI leader's news conference report was published in the same newspaper wherein the Federal Interior Minister, Aslam Khattak had declared that there was no hand of any political party in the bomb blasts. It shows he pointed out that a work which the entire government and its agencies could not accomplish (i.e. detection of a hand in the bomb blasts) it was done by a person who was a paid employee of Jamaat-i-Islami.'

Wali Khan reminded the JI leader that his party was only one which was allowed to work among the refugees and it were the American agencies which allege that about 70 per cent of their funds were being embezzled.

He said even the arms sent and meant for the Afghan resistance movement were sold in the local market.

This, he said, had resulted in spread of sophisticated arms right from Khyber to Karachi and creating a source of concern for the peaceful citizens.

Khan Abdul Wali Khan said it was astonishing to note that the United States President held parleys with some Afghan Mujahideen leaders in Washington the other day and assured full support of his country.

He charged that the Jamaat-i-Islami was setting a stage to replay the drama of East Pakistan through their *'Al-shams* and *Al-badr'* by pooling up the arms which are pouring in for Afghanistan.

In fact, the international conspirators were working only to destroy Pukhtoons on both sides of the borders and Jamaat-i-Islami was playing in their hands, he added.

He said "If you will continue your armed struggle in Afghanistan they will not send you floral bouquets."

Continuing Mr Wali Khan said it was Martial Law regime which served the interests of Americans and JI served as 'B' team of Martial Law. 'We have all along been saying that the wrong policy of the Government would turn this region into next Beirut but JI people instead of regretting themselves were unduly advocating for the Americans and the Martial Law regime's wrong acts.

He said the day was not far off when the nation would rise up and after taking serious notice of these irregularities.—PPI.

/9317
CSO: 4600/401

PAKISTAN

NATIONAL UNITY VIEWED ESSENTIAL FOR EFFECTIVE FOREIGN POLICY

Lahore NAWA-I-WAQT in Urdu 5 Jun 86 p 2

/Editorial: "National Policy and Goals: Talk and Action"/

/Text/ Prime Minister Mohammad Khan Junejo said that the Kashmir problem has been the cause of litigations between India and Pakistan and it is being solved with the help of the United Nations and meetings between the two countries. We can assume that the Pakistani Government has put this problem again on the back burner and is not giving it appropriate attention. He announced this during a question and answer period and added that Pakistan has taken serious note of Indian interference in the Siachen Glacier area. "We will not let even an inch of our country be taken away from us," he concluded.

The prime minister's statement on the Kashmir problem and the policy on Siachen tells us the difference between action and words on this issue. This question was asked in connection with Mr Rajiv Gandhi's postponement of his trip to Pakistan. Due to the onesidedness of Pakistan's efforts to improve relations with India, we have to believe that the Kashmir problem has been put in cold storage again. Pakistan tries again and again to have peace with India, and India interprets it as Pakistan'a weakness and makes more difficult demands. Postponing Mr Rajiv Gandhi's visit to Pakistan is part of this strategy. It wants Pakistan to remain occupied by trifles and forget the issue of Kashmir.

Mr Jyneo's efforts to explain our policy is commendable, but we must do something to acquire the power necessary to make India take us seriously. Despite India's denials, Kashmir is an international problem. India has annexed part of Siachen Glacier forcibly and has been postponing negotiations with Pakistan on this issue. India is procrastinating in order to strengthen its hold on this area. There is no denying that some firing takes place there almost daily. If any high place in the world can be described as under war, then it is the Siachen area. We have been told that this area is uninhabited and a desert, but it belongs to Pakistan and Pakistan would not allow even an inch of its land taken away. The prime minister's statement on Kashmir can be applied to Siachen Glacier situation also.

One basic aspect of the Kashmir and Siachen situation is the need for a route between India and the Soviet Union. The Soviets have taken over the Wakhan area in Afghanistan and India has annexed Siachen. This is a part of the

long-range plan to make communication between Pakistan and China difficult. The Soviet Union and India do not want Pakistan to be able to get aid from China or China to get access to ports in the Arabian Sea and the Indian Ocean. India and the Soviet Union are working together on the roof of the world to achieve this goal. They are still far from their goals.

The strength necessary to negate this Indo-Soviet conspiracy can be gained only by national unity. Realization of such unity, however, is becoming more difficult every day. As for trustworthy friends outside the country, we do not have much to say. It is very important, and very easy, to say that we will not give up even an inch of our country. We have to be realistic and analyze the problem. Why have the enemies of our country's unity become so strong and bold? Let us seriously count our trusted friends outside the country. We should also remember that friends come to help only if we take care of our own responsibilities. Our greatest responsibility at present is to put our internal affairs in order and foster national unity.

7997/12228
CSO: 4656/101

PAKISTAN

STABLE GOVERNMENT SEEN NECESSARY FOR CORRUPTION-FREE SOCIETY

Lahore NAWA-I-WAQT in Urdu 17 Jun 86 p 2

/Editorial: "A Society Without Corruption and Hypocrisy"/

/Text/ Chowdhary Nazir Mohammad, chairman of the Service Group of Industries, said while addressing a Ramadan party that social ills, cheating, graft, profiteering, smuggling, and hoarding are very prevalent in Pakistan. He added that our society has become very corrupt in its efforts to make money. According to him these evils have stopped us from those social welfare plans that are important in a religious and civilized country. According to Chowdhary Nazar Mohammad, government employees, businessmen, industrialists, doctors, and newspapermen all are involved in the race to make money. This makes us wonder if we were lying when we promised to lead lives according to the Islamic religion when Pakistan was established or are we lying now? There is no doubt that the actual picture of our society is worse than described above. This makes us wonder: Why did this happen? Saying that other countries have similar problems is not enough. When this country was established, we agreed to specific responsibilities and a way of life. We do not want to forget the goals for which this country was established in 1947. This goal can be achieved only when a government based on Islamic principles is established. Unfortunately, the four decades of our national history have seen no stable government. Weak or autocratic governments or martial law regimes have not fostered the growth of ingredients necessary for establishing a welfare Muslim society. A strong and stable democratic government is essential for establishing an Islamic rule to realize the dreams that were conceived by the Muslims of this subcontinent when Pakistan was established. We were to achieve the goals for which millions laid down their lives.

Some specific groups with vested interests are asking, "What did we gain from establishing Pakistan?" We know who is behind this propaganda. Whenever the train of our country began to move on the right tracks, some adventurer destroyed the tracks; whenever a democratic government began to function, a military dictator hijacked it. All this maladministration has given the lower class people the freedom to fill their bags with money by fair means or foul. Morals have been sold, and faith haggled upon. According to Dr Mehbub-ul Haq, more than 20 billion rupees are received in bribes by government employees. When we see how corrupt our government is, we can understand why businessmen, industrialists, doctors, lawyers, and teachers are busy in cheating. When a nation forgets its mission in its craze for money, it is not appropriate or wise to blame its ideology.

It is important that we build our social structure on the same democratic principles that Pakistan was established upon. This is a very good time for such an action since we have an elected civilian government in power. Corruption can be eradicated under the leadership of our elected representatives. A stable government can pave the way for establishing a clean society. This will also help stop the older generation from complaining and the newer generation from becoming pessimistic.

7997/12228
CSO: 4656/101

COMMENTARY VIEWS PROBLEMS IN CONTROLLING DACOITIES IN SIND

Karachi DAWN in English 25 Jun 86 p 7

[Text]

THE new Inspector-General of Police, Sind, has said that the anti-dacoit operation launched in the province will be gradually stepped up, adding that it has already yielded good results. Reassuring as the statement sounds, one would wish that the operation to be carried out as promised and that it will not turn out to be one of those sporadic exercises which are launched only to be allowed to peter out without achieving much success. The law and order situation in Sind has deteriorated to an extent that a feeling of insecurity is widespread and few feel safe venturing into the interior any longer. The increasing lawlessness and the failure to deal effectively with it also reflect upon the Government's strategy and approach vis-a-vis the crime situation. Few would today give much credence to official assertions guaranteeing any degree of security to the people. The Government has promised, once too often, to stamp out the menace, without much to show for it in the end. And while, admittedly, operations have been mounted from time to time, the results have invariably been disappointing.

The Sind IGP has clearly identified one of the major factors that prevent the police from breaking the back of daring crimes and banditry. His statement that "no one howsoever influential" would be spared if found harbouring or shielding dacoits, confirm what most people have long been suspecting — that 'influential' people, including feudals, have links with dacoits as patrons and protectors of the latter. But, unfortunately, as in drug trafficking, action against bandits, too, tend to concentrate on the small fry — rather than striking relentlessly and hard at the godfathers of big-time criminals — for fear of stirring the hornet's nest or some other consideration. It must be emphasised, however, that no strategy aimed at controlling crime can succeed if powerful elements are left out of the dragnet for one reason or another. To mount a campaign only against those without 'protection' and claiming credit for catching some of them is bypassing the real causes and promoters of crime. The problem of lawlessness and organised crime cannot be tackled unless the drive to do so is backed by a political will to get to the root of the problem and to act without any trammels or inhibition of any kind.

One other factor that needs to be stressed is the failure adequately to arm the police force and to strengthen it with the special training needed to cope with daring crimes. The large number of casualties suffered by the police in some of their recent encounters with bandits goes to show that such encounters are often unequal ones for the ill-armed and poorly train-

/9317
CSO: 4600/401

TRADE IN SRI LANKAN GIRLS BECOMES DIPLOMATIC ISSUE

Karachi DAWN in English 25 Jun 86 pp 1, 10

[Text]

KARACHI, June 24: The racket of bringing girls from Sri Lanka for prostitution and other jobs took a serious turn on Tuesday when 93 girls arrived aboard an Aeroflot flight.

The Sri Lankan Ambassador who was in the city on Tuesday, told *Dawn* that his Trade Commissioner's office in Karachi had requested the Immigration officials at the airport not to allow these girls to enter Pakistan but "our request was not entertained and they were allowed to go out."

However, when contacted, Immigration officials said that an official of Sri Lankan Trade Commission had taken the girls with him. "We were told that they would ascertain whether the girls have come for employment or were genuine tourists", an official of the Immigration Department, who did not want to be identified, said.

He added that since there was no visa restrictions on Sri Lankan tourists and the travel documents of the girls were in order, there was no justification for stopping them.

But Sri Lankan Trade Commissioner, V. Sabapathi Pillia told *Dawn* that the Immigration version was not correct. "We made the request to the Immigration that these girls should not be allowed to enter as we had prior information about them", he claimed.

He said that following the raid and round-up of some agents who were bringing Sri Lankan girls and forcing them for prostitution, other agents have gone underground.

Mr Pillia said the Immigration should check whether these girls have enough money and return tickets on them when they arrive as tourists. "All the 93 girls," he pointed out," have no money and return tickets with them."

The 93 girls, who could not find their agents to receive them following raids and active interest being taken by the Sri Lankan Embassy in Pakistan, walked to the Sri Lanka Trade Commissioner office at KDA 1 and staged a sit-in.

The Trade Commissioner was busy in arranging food and shelter for them till late in the night. "At present, my concern is to find some social organisation which can provide them shelter till their return is arranged," he said.

When it was pointed out tht some of the girls, who want to take up a job in Pakistan, could sneak out from the social organisation's premises, he conceded" in that case I cannot stop them."

Meanwhile, Mr Pillai said, his Embassy has contacted the Sri Lanka Home Ministry to check the white-slave trade. "Both the countries will have to evolve some way to check this trade," he stressed.

He said that Pakistan Embassy in Colombo has been requested that only those Sri Lankans should be allowed into Pakistan who have employment visas.

As this problem is growing there are also possibilities of reintroduction of visa restriction between the two countries, a source said.

Meanwhile, an MPA, Ms Parveen Mari, expressed concern on what she said was smuggling of Sri Lankan and Filipino girls into the country.

She alleged that most of them are being smuggled in with the connivance of Government officials. "Some of them are even employed as house-maids at Government officials' residences", she claimed.

She appealed to the Government to check the illegal trade immediately.

Meanwhile, three Sri Lankans who were arrested by the police after 25 Sri Lankan girls were recovered from them on Monday were remanded in police custody for 14 days. They were Nuto, Thilrech and J.P. Sa.

Police are looking for their three other absconding accomplices.

Six of the 25 girls are married and their husbands are also working as domestic servants in bungalows.

They were brought here on the promise of getting them lucrative jobs and were allegedly forced to prostitution. But police said, so far there was no such evidence against them.

The girls also used to work in the bungalows as maid-servants where they were given boarding and lodging. On holidays, they used to gather in Parnam Hotel where four or five of them used to share one room.

The girls were handed over to the Sri Lanka Embassy to keep them in their custody till they gave evidence in the court.

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CSO: 4600/401

SRI LANKA

PRESIDENT: TERRORISM COULD BE WIPED OUT WITH INDIA'S HELP

Colombo DAILY NEWS in English 24 Jun 86 pp 1, 12

[Article by Norton Weerasinghe]

[Text] President J. R. Jayewardene said at Hingurakgoda in the Minneriya electorate yesterday that the Indian Foreign Minister was reported to have stated in the newspapers that Sri Lanka was purchasing arms from foreign countries, especially Pakistan and Israel.

"That is the truth. We are prepared to buy arms if any country is prepared to sell them. We cannot be expected to fight the tigers who are using the most sophisticated weapons in the world with our bare hands", he said.

He was addressing a massive gathering after opening Pulathisigama model village to commemorate the eighth anniversary of the Gam Udawa movement.

The President said he would like the Indian Foreign Minister to tell them from which countries the tigers were purchasing arms, where they were being trained and from where they came. Then there would be no need for Sri Lanka to purchase arms. If he helps and informs us we would be able to wipe out the terrorist epidemic.

The President said it was the Prime Minister's 62nd birthday and he wished to pray for long life for him on behalf of the country.

He recalled that his first visit to Polonnaruwa district was over 62 years ago. "I don't think the Prime Minister was even born then. My father brought me and my brother on a tour of Polonnaruwa, Anuradhapura and Sigiriya. Then this area was all a jungle. We stayed for a few days at the resthouse. My father told us that it was in a room as we entered the resthouse that a brother of his who came to Polonnaruwa in 1905 had died and that he wished they should sleep in that room so that he could see his brother's apparition.

"I don't know whether he saw the apparition or not but I am reminded of the events of 1905 as related to us by my father.

That brother was an uncle of mine. He was 26 years old at the time. He had come here because of his uncle who was a DRO. The whole area was a jungle. There were no motor cars. Cars were not even brought to this country. The train stopped at Matale. The British Government had not appointed even Ratemahattayas or Mudaliyars. The DRO, Gabriel Jayewardene ruled this area like a king. My father's younger brother had come to spend a holiday when he died. It took four days to take the body by bullock cart to Matale. From Matale the body was brought to Colombo by train. His name was Junius Quintus Jayewardene. That is why I was named as Junius Jayewardene", he said.

The President went on to say that when they were selecting candidates for the 1977 General election, the Medirigiya MP's father – he was 90 years then, now he is dead – told him that he remembered that incident. He had worked as a village headman under Mr. Gabriel Jayewardene. Mr. Ekanayake hailed from an old generation in the area. He was therefore selected as the UNP's candidate for Medirigiriya.

The President said he thereafter came there with Mr. D. S. Senanayake, Dudley Senanayake and D. R. Wijewardene. When Mr. D. S. Senanayake as a Minister elected by the people started the scheme to develop the dry zone by restoring tanks, cutting canals and planning to settle people and when Mr. Dudley Senanayake returned from England they came to see the work in progress. Then the Minneriya tank was being built. The Giritale tank was being built but the canals had not been cut. Those who were building the tanks were white gentlemen and they stayed for a few days in their quarters.

The President recalled how the late D. S. Senanayake and he would take a path in the Minneriya canal at night and said that Dudley did not like to bathe in cold water because he would start scratching but "we used to bathe in the suits in which we were born (laughter)." Now this area has changed vastly. Then we came to Hingurakgoda. There was not a single house. It was thick jungle.

At a point where there was a hill, the late D. S. Senanayake showed him, Dudley Senanayake and D. R. Wijewardene where he intended to settle the farmers, where the police station would be sited and where the shops would be sited. Today the entire area has changed and only the hill remains. That was somewhere in 1934. That was how this work was started.

The President recalled that thereafter they came with the late D. S. Senanayake to see the Topawewa when a dam had burst and the Parakrama Samudra had dried up. Mr. D. S. Senanayake said they should build that dam. Then new machinery like tractors and bulldozers had just come to Sri Lanka; the war had ended. They were able to eradicate malaria due to DDT. Otherwise it would have been difficult to carry on.

They built the Topawewa with the help of tractors and bulldozers and walked up to Angamedilla. It is from that point that we brought water from the Ambanganga to fill the Topawewa and through it the Parakrama Samudra.

The President said he could therefore claim to know this area more than most of those who were present at that meeting. It was all a jungle except for the Ekanayake family and probably the Wijekoon family. The others were newcomers. Around their houses there were wild elephants. Now there are tame elephants. We must make everyone in Sri Lanka tame elephants. It is very dangerous to have tigers", he quipped.

He was reminding them of this because he and the Prime Minister were asked not to attend that ceremony as bombs would explode. "But we came. So far no bombs have exploded. They may explode but we have to be careful. When we came to this Gam Udawa ceremony unlike previous Gam Udawa ceremonies, we were reminded of and remember our ancient history. We saw the monuments of kings. From the 7th and 8th centuries AD there has been a civilisation in this area. One can accept this area as having been a centre of Sinhala civilisation for about 1000 years.

When we see those monuments we are reminded that the Sinhalese had a long unbroken history where we can see several important golden threads in that long history. I have written a small book on it. Kindly read that book. I am not saying to sell it. But we are reminded of several facts when we read it. It is intended to send that book to every school. One of those golden threads is the Buddha Dhamma.

Then too the majority of our people followed the Buddha Dhamma. Today too they follow the Buddha Dhamma. The other golden thread is the Sinhala language. I saw in the Colombo Museum a stone inscription in Sinhala of about 1,500 years ago. The Sinhala language is one of the oldest languages. Only a few speak it. Therefore it is essential that we learn an international language.

Then there was the irrigation system which stunned the world. It was because of this that our people were able to live in the Rajarata. The system had broken down for about 1,000 years but from the time of the late Mr. D. S. Senanayake old tanks were restored and now new tanks are being built.

The other thing was the unbroken chain of dynasties; there were dynasties from Lanka, dynasties from India, the Udarata and Sri Jayawardhanapura and thereafter there was the President elected by the people. That leadership has existed without a break from the time of King Vijaya up to now. Except for Japan, no other country could stake a claim to such a chain of rulers. We should remember this. We must realise that this may be lost to us. There is a group who are trying to destroy this. As the Prime Minister said we should all get together and eliminate this dangerous group. This can be done, but we should all unite and rally round the leadership. It would be difficult to destroy that enemy if we are divided, clash with each other and kill each other.

The President said that he did not intend speaking any further but he wished to point out that India's Foreign Minister was reported in a newspaper to have said that Sri Lanka was purchasing arms from foreign countries, especially Pakistan and Israel. That was true. There was no need to hide it. Not only those countries. Sri Lanka was ready to purchase arms from any other country which was prepared to sell them. We cannot fight with our bare hands, the tigers who were fighting with the most sophisticated weapons in the world. I like the Foreign Minister of India to inform us if he knows from where we are purchasing arms, please inform us from where the tigers are getting their arms, in which country they are trained, from which country they come here. If they inform us and help us there will be no need for us to purchase arms from Pakistan or Israel. We will be able to wipe out this terrorist epidemic. I hope I'll get that reply soon.

Concluding the President said that according to the Golden Threads in our long history a light is burning. That light has been handed over to us by our elders and it should be handed over without a break to the younger generation."

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END